

ORDINANCE NO. 457

EAST NORRITON TOWNSHIP  
MONTGOMERY COUNTY, PENNSYLVANIA

**AN ORDINANCE OF EAST NORRITON TOWNSHIP, MONTGOMERY COUNTY, PENNSYLVANIA, AMENDING THE CODE OF ORDINANCES, CHAPTER 26, ARTICLE II ENTITLED EAST NORRITON TOWNSHIP POLICE PENSION PLAN, BY PROVIDING CHANGES MANDATED BY ACT 30 OF 2002.**

**WHEREAS**, East Norriton Township previously established the East Norriton Township Police Pension Plan; and

**WHEREAS**, East Norriton Township intends to comply with Act 30 of 2002;

**NOW THEREFORE**, be it ordained and enacted by East Norriton Township as authorized by Section 9.2 of the East Norriton Township Police Pension Plan ("Plan") as amended and restated effective January 1, 2001, the Plan is hereby amended in the following manner:

**FIRST:** Section 3.6 is amended to read as follows:

**Section 3.6 – Disability Retirement**

If an actively employed participant suffers a service-connected disability and is unable to perform his normal duties prior to his normal retirement date, he may receive a disability benefit under the plan. Such disabled participant shall be entitled to a monthly disability benefit equal to his normal retirement benefit determined using the average monthly compensation for the period ending as of the date disability commenced.

Whenever other disability benefits, which are financed in whole or in part by the employer or from any other source, are payable, the amount of monthly disability benefit from the Plan shall be reduced if necessary, so that the sum of monthly disability benefits from all sources will not exceed 100% of the participant's monthly salary as of the date of disability.

However, the disability benefit shall be no less than 50% of the participant's monthly salary at the time the disability was incurred, reduced by the amount of any disability benefits payable under Social Security for the same injuries.

Disability benefit payments shall cease upon death or upon recovery from disability prior to the date on which the disabled participant would have reached his normal retirement date if he had continued as an active participant under the plan. If disability benefits cease due to death before the participant's attainment of his normal retirement date, the death benefit payable shall be the survivor's benefit (if any) described in Section 4.2(b), without any reduction with respect to disability payments that have been made. For the purpose of determining whether there has been a recovery, the plan administrator may require evidence of continued disability. Such evidence may include examination by a doctor selected by the plan administrator. The participant's refusal to submit to medical examinations shall render him ineligible for disability benefits.

If disability continues until attainment of normal retirement date, the disability benefit shall continue until death.

Disability means inability to engage in any substantial gainful activity for which the participant is reasonably fitted through training, education, and experience by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months and that is the result of the performance of police services for the employer.

The permanence and degree of the impairment shall be supported by medical evidence. The plan administrator shall determine whether the participant is disabled as defined hereunder after consultation with a physician chosen by the plan administrator. The physician shall examine the participant at the participant's place of residence or at a place mutually agreed upon. In the administration of this Section, all employees shall be treated in a uniform manner in similar circumstances.

**SECOND:** Article IV is amended to read as follows:

#### **ARTICLE IV – DEATH BENEFITS**

##### **Section 4.1 – Death Benefit With Respect to Employee Contributions**

- (a) **Benefit Payable** – Effective April 17, 2002, if no death benefit is payable under Section 4.2, an amount equal to the participant's accumulated contributions as determined under Section 6.2 shall be payable to the participant's named beneficiary designated under Section 4.1(b) in one lump sum. If there is no named beneficiary, then the benefit shall be payable to the participant's surviving spouse. If there is neither a named beneficiary nor a surviving spouse, then the benefit shall be payable to any child (or children) of the participant who is under the age of eighteen or, if attending college, who is under or attaining the age of twenty-three. For this purpose, attending college shall mean being registered at an accredited institution of higher learning and carrying a minimum course load of seven credit hours per semester. In the case of multiple eligible children, the benefit payable shall be divided equally among the children. Child shall include adopted child of the participant.
- (b) **Beneficiary Designation** – The participant shall have the right to designate his beneficiaries, including a contingent beneficiary, and shall have the right at any time to change such beneficiaries for the purpose of specifying the recipient of any benefits payable under Section 4.1(a). The designation shall be made in writing on a form supplied by the plan administrator. No designation shall be effective until filed with the plan administrator. If the participant fails to designate a beneficiary and no benefit is otherwise payable under Section 4.1(a), "beneficiary" shall mean the estate of the participant. However, in the event that no letters have been taken out on the estate within six months after death and the death benefit payable is less than \$100, the death benefit shall be paid to the undertaker or any person or municipality that paid the claim of the undertaker.

##### **Section 4.2 – Service-Connected Death Benefit and Survivor Benefit**

- (a) **Service-Connected Death Benefit** – If an active participant dies on or after April 17, 2002, while performing police services for the employer, the participant's surviving spouse or eligible child (if any) shall receive a monthly benefit equal to 100% of the participant's monthly salary at the time of death.
- (b) **Survivor Benefit** – If no benefit is payable under Section 4.2(a), then a survivor benefit may be payable under this Section 4.2(b). Further, if the plan administrator determines that the conditions for a benefit under both Section 4.2(a) and Section 4.2(b) have been satisfied, the greater of the two benefits shall be paid. If a retired or disabled participant who is receiving a pension benefit dies or if a participant dies after satisfying the requirements for retirement whether or not he had previously terminated employment,

the participant's surviving spouse or eligible child (if any) shall receive a benefit equal to 50% of the retirement benefit that the participant was receiving or would have been receiving if the participant had been retired at the time of his death.

- (c) Payment shall be in the form of a pension (without actuarial adjustment with respect to the age of the beneficiary) and shall commence as of the first day of the month following the date of death. Payment to the surviving spouse shall cease upon the death of the surviving spouse.

Effective April 17, 2002, if there is no surviving spouse or if the surviving spouse dies (thereby ceasing to be the surviving spouse of the participant), then the benefit shall be payable to any child (or children) of the participant who is under the age of eighteen or, if attending college, who is under or attaining the age of twenty-three. For this purpose, attending college shall mean being registered at an accredited institution of higher learning and carrying a minimum course load of seven credit hours per semester. In the case of multiple eligible children, the benefit payable shall be divided equally among the children. Payment shall cease upon the earlier of death or the attainment of age eighteen (or the attainment of age twenty-three, if attending college). Child shall include adopted child of the participant.

The participant's spouse cannot waive receipt of this benefit. In the case of an unmarried participant who has no children under the age of eighteen (or under the age of twenty-three, if attending college), no death benefit shall be payable under this Section 4.2, but a death benefit may be payable under Section 4.1. The death benefit payable shall not be less than the benefit payable under Section 4.1. In the event that there is no spouse or child eligible to receive the death benefit payable under this Section 4.2, the death benefit provided under Section 4.1 shall be paid as described therein. The distribution shall comply with the Distribution Requirements of Section 7.2(d)(2).

If there is an acceptable domestic relations order in force with respect to the participant, the alternate payee shall receive a portion of the death benefit otherwise payable with respect to any actual surviving spouse or eligible child to the extent provided in the order, but only if the alternate payee has not died. However, no order shall be accepted if it provides that the alternate payee shall be the surviving spouse creating a right to a death benefit under this Section 4.2 as the death benefit payable hereunder is only payable with respect to a surviving spouse or an eligible child.

**THIRD:** Section 6.2(a) is amended to read as follows:

**Section 6.2 – Mandatory Employee Contributions**

- (a) **Mandatory Contribution Amount** – As a condition of participation in this plan, each active participant must contribute, on an after-tax basis, a percentage of his compensation as established each year. In general, this mandatory contribution shall be 3.20% of the participant's compensation up to the taxable wage base plus 5% of the participant's compensation in excess of the taxable wage base. Taxable wage base is the contribution and benefit base in effect under Section 230 of the Social Security Act at the beginning of the plan year.

Effective April 17, 2002, the employer may reduce or eliminate the contribution required provided that any reduction or elimination of contributions is authorized on an annual basis by an ordinance or resolution by the employer.

**FOURTH:** The effective date of the amendment is April 17, 2002.

**FIFTH:** All other provisions of the Plan remain in full force and effect.

ENACTED AND ORDAINED this 22<sup>nd</sup> day of July, 2003.

Board of Supervisors  
East Norriton Township

Lewis & McFerron  
David J. Jones  
Francis A. ...

Robert J. S. ...  
Secretary

