

**BETHEL TOWNSHIP  
BERKS COUNTY, PENNSYLVANIA**

ORDINANCE NO. 2005-09

**AN ORDINANCE OF BETHEL TOWNSHIP, BERKS  
COUNTY COMMONWEALTH OF PENNSYLVANIA,  
ESTABLISHING THE BETHEL TOWNSHIP POLICE  
PENSION PLAN PROVIDING FOR A PENSION PLAN FOR  
FULL-TIME POLICE OFFICERS OF BETHEL TOWNSHIP.**

WHEREAS, it is deemed to be in the best interests of Bethel Township and in the maintenance of good government that a pension program be maintained to provide for the retirement of full-time police officers;

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the Board of Supervisors of Bethel Township, Berks County, Pennsylvania as follows:

**SECTION I: DEFINITIONS**

- 1.1 "ACCRUED BENEFIT" – shall mean fifty (50) percent of the Participant's Average Monthly Compensation multiplied by the fraction of (a) the number of years as a full-time police officer computed to the nearest one-twelfth (1/12) of a year from date of hire to the date of determination over (b) the number of years as a full-time police officer computed to the nearest one-twelfth (1/12) of a year from date of hire to the normal retirement date; provided, however that this fraction shall never be greater than the number one (1).
- 1.2 "AVERAGE MONTHLY COMPENSATION" – shall mean the average of the Participant's monthly Compensation over the sixty (60) month averaging period immediately preceding the Participant's retirement or other termination of employment.
- 1.3 "COMPENSATION" – shall mean the total compensation paid to the employee by the Employer for services rendered as a police officer within the Plan Year, excluding lump sum payments for accumulated unused leave (such as vacation, sick and personal leave).
- 1.4 "EMPLOYER" – shall mean Bethel Township, Berks County, Commonwealth of Pennsylvania.
- 1.5 "FUND" – shall mean the Bethel Township Police Pension Plan Trust Fund.

- 1.6 "PARTICIPANT" – shall mean any full-time police officer of the Employer who meets the requirements set forth in Section IV of this ordinance.
- 1.7 "PLAN" – shall mean Bethel Township Police Pension Plan.
- 1.8 "PLAN YEAR" – shall mean the calendar year.
- 1.9 "SERVICE" – shall mean an employee's period of continuous employment with the Employer as a full-time police officer. For purposes of this Section, an employee's employment shall not be deemed to have been interrupted by any periods of authorized leave of absence expressly granted by the Employer. In the event an employee does not return to employment within the specified period or at the end of an authorized leave of absence, he/she shall be deemed to have terminated employment when he/she originally left the service of the Employer. A member of the police force who has been a regularly appointed employee of the Bethel Township police force for a period of at least six (6) months shall receive retirement credit for his/her period of military service, if such person returns to employment within six (6) months of separation from military service and is ineligible to receive military retirement pay as a result of such service.

## SECTION II: FUNDING OF PENSIONS

- 2.1 This Plan is to be funded and maintained by any of the following methods or combinations of each:
- (a) STATE AID – Funds which are received from the Commonwealth of Pennsylvania pursuant to the Municipal Pension Plan Funding Standard and Recovery Act (known as "Act 205"), which are directed to this Plan as approved by the Board of Supervisors.
  - (b) PARTICIPANT CONTRIBUTIONS - All Participants shall make contributions which shall be five (5) percent of their total compensation. The Board of Supervisors may, on an annual basis, by ordinance or resolution, reduce or eliminate contributions into the Plan by Participants. Bethel Township may, but need not, have an actuarial study performed prior to reducing or eliminating Participants' contributions into the Plan.
  - (c) TOWNSHIP CONTRIBUTIONS – Contributions from the general fund of Bethel Township, as necessary, with appropriate approval by the Board of Supervisors.
  - (d) GIFTS, GRANTS, DEVISES OR BEQUESTS – The sums which may be received by Bethel Township in the form of gifts, grants, devises or bequests, may to the extent authorized by law, be contributed to the Fund with the approval of the Board of Supervisors.

- (e) Any other sums received or contributed to Bethel Township, to the extent authorized by law and with prior approval of the Board of Supervisors.

### SECTION III: ADMINISTRATION

- 3.1 Subject to the control and direction of the Board of Supervisors, the Pension Committee ("Committee"), as appointed by the Board of Supervisors shall have full responsibility for administration of the Plan and Fund. The Committee shall hold, invest, re-invest and distribute all funds and property received pursuant hereto in trust for the purposes of this ordinance. The Committee may receive at any time, gifts, grants, devises or bequests to the Fund of any money or property, real or personal or mixed, to be held by the Committee in trust for the benefit of this fund and in accordance with the provisions hereof. The Committee shall be subject to such rules and regulations as may from time to time be adopted by the Board of Supervisors through ordinance or resolution.
- 3.2 The Committee shall have full power and authority 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 of the following:
  - (a) To hold, invest and re-invest all funds received pursuant to this ordinance in such investments as may be authorized a legal Investments under the laws of the Commonwealth of Pennsylvania;
  - (b) To retain any property which may at any time become an asset of the Fund, as long as the Committee may deem it advisable; and
  - (c) To make distribution of the monies in the Fund, in accordance with the terms of this ordinance.
  - (d) To appoint a trustee or custodian to hold, invest and reinvest Plan funds in accordance with this ordinance. Such trustee or custodian may be removed, or resign by giving 60 days written notice to the other party. The Committee shall maintain the authority to oversee and review the performance of the trustee or custodian both on an investment and administrative basis. Plan funds may be invested in pooled funds designated for employee benefit trust funds.
- 3.3 Any administrative expense which is an allowable administrative expense under Act 205 of the Commonwealth of Pennsylvania will be payable from

the assets of the Fund. If administrative expenses are not or cannot be paid from the Fund, the expense will be paid by Bethel Township.

#### SECTION IV. ELIGIBILITY

- 4.1 Each full-time, police officer employee of the Employer regularly working a minimum of forty (40) hours per week during the calendar year will be eligible to participate as of their date of hire.

#### SECTION V: NORMAL RETIREMENT

- 5.1 The normal retirement date to receive benefits from the Fund shall be the first day of the month coinciding with or next following the fifty-fifth (55<sup>th</sup>) birthday and the completion of twenty-five (25) years of total Service. The normal retirement benefit shall be equal to the amount specified under Section VI.
- 5.2 If a Participant continues in the employ of the Employer after the normal retirement date, benefit payments will be postponed to the first day of the month coinciding with or next following the actual date of retirement with benefits calculated using compensation up to the actual date of retirement.

#### SECTION VI: NORMAL RETIREMENT BENEFIT

- 6.1 The monthly normal retirement benefit shall equal fifty (50) percent of Average Monthly Compensation.
- 6.2 Such retirement benefit shall be payable from the assets of the Fund established pursuant to this ordinance.
- 6.3 The form of benefit shall be a straight life annuity for an unmarried participant and a joint and fifty (50) percent survivor annuity for a married participant. No other form of benefit may be elected.

#### SECTION VII: EARLY RETIREMENT BENEFIT

- 7.1 An early retirement benefit shall be provided to a Participant with twenty or more years of Service who terminates employment prior to the completion of superannuation retirement age and service requirements and who files a written application for an early retirement benefit with the Board of Supervisors. The early retirement benefit shall become effective as of the date the application is filed with the Board of Supervisors or the date designated on the application, whichever is later, and shall be the actuarial equivalent of a partial superannuation retirement benefit calculated as follows:

- (a) A partial superannuation retirement benefit shall be determined by applying the percentage that the Participant's years of Service bear to the years of Service that the Participant would have rendered had the Participant continued to be employed until his/her superannuation retirement date to the gross pension amount calculated using the Average Monthly Compensation during the appropriate period prior to his/her termination of employment.
- (b) The actuarial equivalent of the partial superannuation retirement benefit shall be determined by actuarially reducing the partial superannuation retirement benefit to reflect that it will commence on the effective date of the early retirement rather than on the date on which the Participant would have completed superannuation age and service requirements. The actuarial reduction shall be calculated using the actuarial assumptions reported in the last actuarial valuation report filed with the Public Employee Retirement Commission under the act of December 18, 1984 (P.L. 1005, No. 205), known as the "Municipal Pension Plan Funding Standard and Recovery Act."

#### SECTION VIII: DISABILITY BENEFITS

- 8.1 In the event a Participant's service-related Total and Permanent Disability, the Participant shall become eligible for a monthly disability benefit.
- 8.2 For purposes of this Section, "Total and Permanent Disability" shall mean a permanent service-related physical or mental condition due to injuries incurred in service as a police officer of Bethel Township, which precludes the Participant from engaging in any police employment. Total and Permanent Disability shall be determined by a qualified physician selected by the Employer, and such determination shall be final and conclusive.
- 8.3 The monthly disability benefit under this Section shall be calculated at fifty (50) percent of the Participant's salary at the time the disability was incurred, provided, however, that any Participant who receives benefits for the same injuries under the Social Security Act (49 Stat. 620, 42 U.S. C. § 301 et. seq.) shall have his or her disability benefits received under this Section offset or reduced by the amount of such Social Security Act benefits.
- 8.4 The monthly disability benefit shall commence on the first of the month following a six (6) month required waiting period after incurring a Total and Permanent Disability.
- 8.5 The Employer shall have the right to require a disabled Participant to undergo a medical examination at monthly intervals. The monthly disability benefits shall cease upon recovery from disability as determined by the Employer's

physician. The monthly disability benefit shall also cease upon the death of the Participant.

#### SECTION IX: DEATH BENEFITS

9.1 In the event of the death of a Participant or a Participant who retires or is honorably discharged on pension, the surviving spouse, or if no spouse survives or if he or she survives and subsequently dies, then the child(ren), under the age of eighteen (18) or, if then attending college, under or reaching the age of twenty-three (23) shall, during his or her lifetime in the case of a surviving spouse or, in the case of a child(ren), until reaching the age of eighteen (18) or, if then attending college under or reaching the age of twenty-three (23), be entitled to receive a pension calculated at fifty (50) percent of the pension the Participant was receiving or would have been receiving had he or she been retired or honorably discharged on pension at the time of his or her death. For the purposes of this Section, the phrase "attending college" shall mean the eligible child(ren) is registered at an accredited institution of higher learning and is carrying a minimum course load of seven (7) credit hours per semester.

9.2 In the event a participant is killed in service, the pension for the Participant's family shall be calculated at one hundred (100) percent of the Participant's salary at the time of death.

9.3 The surviving spouse of any Participant who dies before his or her pension has vested or if no spouse survives or if he or she survives and subsequently dies, the child(ren) under the age of eighteen (18) or, if attending college, under or reaching the age of twenty-three (23), of the Participant shall be entitled to receive repayment of all money which the Participant invested in the pension fund plus interest or other increases in value of the Participant's investment in the pension fund unless the Participant has designated another beneficiary for this purpose. For the purposes of this Section, the phrase "attending college" shall have the same meaning as described in Section 9.1 hereof.

#### SECTION X: INELIGIBILITY FOR BENEFITS:

10.1 Any member of the police force who, for any reason whatsoever, shall be ineligible to receive a pension after having contributed any moneys to the police pension fund shall be entitled to a refund of all such moneys paid by the member into the fund plus all interest earned by such money while in the fund upon discontinuance of his employment with the police force. If such discontinuance is due to death, such moneys shall be paid to his designed beneficiary or, in the absence thereof, to his estate.



- 10.2 If a member discontinues service and receives a return of contributions, and subsequently returns to service in the police department, the member shall be credited for such prior service period for pension purposes upon repayment to the pension fund of such contributions and interest previously paid to the member.

#### SECTION XI: TERMINATION BENEFITS AND VESTING

- 11.1 Any Participant who has completed twelve (12) years of Service shall be one hundred (100) percent vested in his/her Accrued Benefit. Upon termination of employment with the Employer, a vested participant shall be eligible to receive his/her Accrued Benefit starting as a monthly benefit at the normal retirement date under this ordinance.
- 11.2 The participant shall be entitled to vest his/her retirement benefits by filing with the Board of Supervisors within ninety (90) days of the date he/she ceases to be a full-time police officer, a written notice of his/her intention to vest.

#### SECTION XII: ATTACHMENT AND ASSIGNMENT:

- 12.1 The pension payments provided for in this ordinance shall not be subject to attachment, execution, levy, garnishment or other legal process while in the possession of the police pension fund, except pursuant to a bona fide Domestic Relations Order or I.R.S. attachment, and shall be payable only to the member or his beneficiaries and shall not be subject to assignment or transfer.

#### SECTION XIII: EFFECTIVE DATE AND REPEALER

- 13.1 This ordinance shall become effective January 1, 2005 upon the adoption of the same by the Board of Supervisors. All ordinances, or parts of ordinances, inconsistent with the provision of this ordinance are hereby repealed insofar as they are inconsistent with this ordinance.


If any sentence, clause, section or part of this ordinance is, for any reason, found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality, or invalidity shall not effect or impact any other remaining provisions, sentences, clauses, sections or parts of this ordinance. It is hereby declared as the intent of the Board of Supervisors that this ordinance would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part thereof not been included herein.

DULY ORDAINED and ENACTED this 29 day of December, 2005, by the Board of Supervisors of Bethel Township, Berks County, Pennsylvania, in lawful session duly assembled.

BETHEL TOWNSHIP  
BOARD OF SUPERVISORS

  
Randall Haag, Chairman

absent  
Steve Henning, Supervisor

  
Kenneth Norton, Supervisor

Attest:

  
Jayne Seifrit, Secretary