

**ORDINANCE NO. 2014-06**

**AN ORDINANCE OF BETHEL TOWNSHIP, BERKS COUNTY, COMMONWEALTH OF PENNSYLVANIA, ESTABLISHING THE BETHEL TOWNSHIP NON-UNIFORMED EMPLOYEES' PENSION PLAN PROVIDING FOR A PENSION PLAN FOR FULL-TIME NON-UNIFORMED EMPLOYEES 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 non-uniformed employees;

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, as of any given date, the Participant's monthly benefit determined in accordance with the following formula: One and one-quarter percent (1.25%) of the Participant's Average Monthly Compensation multiplied by the number of Years of Service between the date of hire and the date of determination, up to a maximum of thirty (30) Years of Service.
- 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 within the Plan Year, excluding lump sum payments for accumulated unused leave (such as vacation, sick and personal leave.)
- 1.4 "CONTINUOUS EMPLOYMENT" - shall mean an employee's period of continuous employment with the Employer. 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; nor shall it be deemed interrupted by any period of absence during which he/she served in the Armed Forces of the United States of America, provided the employee returns to employment with the Employer at the time and under the circumstances required to give him/her re-employment rights under any Federal or State law. 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.

- 1.5 “EMPLOYER” – shall mean Bethel Township, Berks County, Commonwealth of Pennsylvania.
- 1.6 “ENTRY DATE” – shall mean the first day of the Plan Year following the completion of one (1) Year of Service.
- 1.7 “FUND” – shall mean the Bethel Township Non-Uniformed Employees’ Pension Plan Trust Fund.
- 1.8 “PARTICIPANT” – shall mean any full-time, non-uniformed employee of the Employer who meets the requirements set forth in Section IV of this Ordinance.
- 1.9 “PLAN” – shall mean Bethel Township Non-Uniformed Employees’ Pension Plan.
- 1.10 “PLAN YEAR” – shall mean the calendar year.
- 1.11 “YEAR OF SERVICE” – shall mean each completed twelve-month period of Continuous Employment with the Employer, calculated in whole years and completed months of Continuous Employment.

## 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) TOWNSHIP CONTRIBUTIONS – Contributions from the general fund of Bethel Township, as necessary, with appropriate approval by the Board of Supervisors.
  - (c) 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.
  - (d) 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 Plan 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 he 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 as 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 the Board of Supervisors.

#### SECTION IV. ELIGIBILITY

- 4.1 Each full-time, non-uniformed employee of Bethel Township whose customary employment is for forty (40) hours per week or more will be eligible to participate on the Entry Date following the completion of one (1) Year of Service. No one will be eligible for this Plan if they are Police officers, part-time employees or members of a bargaining unit.

#### SECTION V: RETIREMENT BENEFITS

- 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 sixty-fifth (65<sup>th</sup>) birthday, or the completion of ten (10) Years of Service, if later. The normal retirement benefit shall be equal to the amount specified under Section VI.
- 5.2 If a Participant remains in the employ of the Employer subsequent to the normal retirement date, he/she shall continue to be eligible to participate hereunder. The late retirement date shall be the first day of the month coincident with or next following the date when a Participant actually retires. The late retirement benefit shall be equal to the Participant's Accrued Benefit determined as of the actual date of retirement.
- 5.3 The early 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, or the completion of ten (10) Years of Service, if later. Early retirement is subject to the written consent of the Board of Supervisors. The early retirement benefit shall be the actuarial equivalent of the Participant's Accrued Benefit payable at the normal retirement date, determined as of the early retirement date.

#### SECTION VI: NORMAL RETIREMENT BENEFIT

- 6.1 The basis for determining the monthly normal retirement benefit to a Participant retiring under Section 5.1 shall be one and one-quarter percent (1.25%) of the Participant's Average Monthly Compensation multiplied by the number of Years of Service, up to a maximum of thirty (30) Years of Service.
- 6.2 Any retirement benefit shall be payable from the assets of the Fund established pursuant to this ordinance.
- 6.3 The normal form of annuity under the Plan is a life annuity. However, upon retirement, a Participant may elect to receive benefits in a form different than the normally prescribed annuity form. Any such alternative form must be the actuarial equivalent of the normal form of annuity. Alternative options include the following:
  - (a) A life annuity coupled with a guarantee that payments will be made for a certain period of years, such as 5 or 10 years;

- (b) A joint and contingent survivor annuity, whereby the annuity is to continue to the participant's spouse after the death of the retired Participant as a specified percentage of the annuity being paid while the participant survived. The specified percentage available for election is fifty percent (50%) or one hundred percent (100%.)

SECTION VII: DISABILITY BENEFITS

7.1 No disability benefits will be provided under this Plan.

SECTION VIII: DEATH BENEFITS

- 8.1 Upon death of a Participant prior to retirement and after completion of ten (10) Years of Service, a pre-retirement death benefit shall be paid to the surviving spouse of such eligible Participant equal to fifty percent (50%) of the benefit the Participant would have receive if he/she had retired on the day prior to death. If death occurs prior to or coincident with eligibility for early retirement, the benefit will commence at the early retirement date. If death occurs subsequent to eligibility for early retirement but prior to actual retirement, the benefit will begin as of the first of the month coincident with or next following the date of death.
- 8.2 Upon the death of a Participant after benefit payments commence, the post-retirement death benefit shall be limited to the form of benefit payment in force for the Participant at the time his/her death occurs, based upon the annuity option elected.

SECTION IX: TERMINATION BENEFITS AND VESTING

- 9.1 A deferred vested benefit shall accrue to a Participant who terminates employment prior to retirement. Such Participant's vested benefit shall be a percentage of his/her Accrued Benefit determined as of such date of termination and based upon the following vesting schedule:

<u>Completed Years of Service</u>	<u>Vested Percentage</u>
0 to 9	0%
10 or more	100%

- 9.2 Payments of a Participant's vested benefit shall be made from the Fund at the date that would have been such Participant's normal retirement date, or early retirement date, if eligible. A Participant eligible to receive a vested benefit may be permitted to receive such benefit in any form of payment authorized for payment of retirement benefits under Section 6.3 of this ordinance, provided, however, that he/she may elect an optional form of payment only with the consent of the Employer.

9.3 A Participant who terminates his/her employment with the Employer at a time when he /she is not vested in any portion of his Accrued Benefit shall cease to be a Participant hereunder and shall not be entitled to any benefits under the Plan.

SECTION X: ATTACHMENT AND ASSIGNMENT

10.1 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 Fund, except pursuant to a bona fide Qualified Domestic Relations Order or Internal Revenue Service attachment, and shall be payable only to the Participant or his/her beneficiaries and shall not be subject to assignment or transfer.

SECTION XI: EFFECTIVE DATE AND REPEALER

11.1 This Ordinance shall become effective as of January 1, 2014 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.

ENACTED and ORDAINED this 29 day of December, 2014.

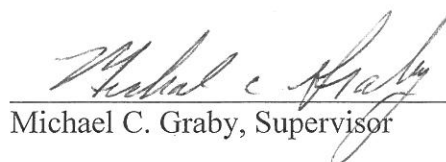
BOARD OF SUPERVISORS OF  
BETHEL TOWNSHIP

  
Randall G. Haag, Chairman

  
Carl R. Kauffman, III, Supervisor

Attest:

  
Jayne K. Seifrit, Secretary

  
Michael C. Graby, Supervisor