

ORDINANCE NO. 249

AN ORDINANCE FURTHER PROVIDING FOR THE ESTABLISHMENT AND REGULATION OF A PENSION PLAN FOR THE FULL-TIME NON-UNIFORMED EMPLOYEES OF THE TOWNSHIP OF OHIO.

BE IT ORDAINED AND ENACTED by the Supervisors of the Township of Ohio, Allegheny County, Pennsylvania, and IT IS HEREBY ORDAINED AND ENACTED as follows:

ARTICLE I

ESTABLISHMENT OF PLAN

A Pension Plan is hereby established for the Full-Time, Non-Uniformed Employees of Ohio Township. Such Plan shall be under the direction of the Township Supervisors and shall be applied under such regulations as the Supervisors may prescribe. The effective date of this Plan shall be December 31, 2002, however, the Plan established hereunder shall be deemed a continuation of the previous Non-Uniformed Pension Plan most recently revised by Resolution 15-96 and dated November 11, 1996.

ARTICLE II

DEFINITIONS OF TERMS

- 2.1 Board means the governing body of the Township of Ohio acting in the capacity of Administrator of the Ohio Township Non-Uniformed Pension Plan established pursuant to this Ordinance.
- 2.2 Employer means the Township of Ohio, Allegheny County, Pennsylvania.
- 2.3 Participant means every person duly appointed from time to time by the Employer as a Full-Time, Non-Uniformed Employee working not less than thirty-five (35) hours per week with definite compensation, subject to reasonable vacation and sick leave, to be included in the Plan upon date of hire.
- 2.4 Service means total aggregate service with the Employer, not necessarily continuous, from the employee's date of hire. Service of six (6) months or more in the last year of employment will be counted as a full year; service of less than six (6) months in the last year of employment will be disregarded.
- 2.5 Compensation means the monies received by a Participant in each and every month, including base pay, longevity pay, night differential, overtime, and any other such increments. Payments made for unused vacation time will be included for computation of retirement benefits, as well as any other compensation included in a Participant's W-2 form.
- 2.6 Plan means the Ohio Township Non-Uniformed Pension Plan established pursuant to this Ordinance, and includes the pre-existing Ohio Township Non-Uniformed Pension Plan.

- 2.7 Contribution means the monies paid by the Employer to the Plan and/or the payroll deductions made monthly from the compensation of the Participants and paid to the Plan; except that "contributions" in Article 4.6 shall mean the Participant's total contributions accumulated during the period of employment and participation in this Plan.
- 2.8 Unfunded Liability means the present value of any Participant's benefits accrued prior to the enactment of this Ordinance by virtue of that Participant's prior service.
- 2.9 Future Service Liability means the value of any Participant's benefits which shall accrue by virtue of that Participant's service rendered subsequent to the enactment of this Ordinance.
- 2.10 Actuarial Equivalent means a benefit determined by an actuary to be equivalent in value to the Participant's Normal Retirement Benefit, as defined herein; provided that such actuarial equivalent is within the limitations provided herein.
- 2.11 Termination means the cessation of service by the Participant for any reason including death, disability, resignation, and Employer termination. Voluntary leaves of absence, without pay, shall not be considered a termination for purposes of this Ordinance; but no period of such leave shall be computed in the total service for pension benefit purposes. Leaves of absence with pay shall not be considered a termination within the meaning of this Ordinance (provided that the municipality is able to certify to the Department of Auditor General that such Participant on a leave of absence with pay is within the definition of a Participant as set forth herein); but such leaves may be computed in the total service for pension benefit purposes.
- 2.12 Committee means the person(s) which may be appointed to serve in an advisory capacity to the Board in the administration of the Plan.
- 2.13 Normal Retirement Date means the first day of the month following a Participant attaining eligibility for retirement as described in Article IV herein.

SECTION III

ADMINISTRATION

- 3.1 The Board shall administer the Plan by such regulations as shall from time to time be necessary for the effective maintenance of the Plan, provided that no regulation shall be contrary to the statutes of the Commonwealth of Pennsylvania and/or applicable Federal regulations.
- 3.2 The Board may appoint a Committee which shall act as an advisory body to the Board in the administration of the Plan according to the regulations established pursuant to this Article.
- 3.3 All such reasonable expenses incurred in the administration of the Plan including, but not limited to, fees for the services of specialists including actuaries, accountants, consultants, and legal counsel shall be approved by the Board and all may be paid from the Plan; provided that no such payment shall be contrary to the statutes of the Commonwealth of Pennsylvania.

- 3.4 No member of the Board or the Committee established pursuant to this Article shall incur any liability for any action or failure to act, excepting only liability for its own gross negligence or willful misconduct. The Employer shall indemnify each member of the Board and the Committee against any and all claims, loss, damages, expense, and liability arising from any action or failure to act, except for such that is the result of gross negligence or willful misconduct of such member.

ARTICLE IV

RETIREMENT REQUIREMENTS AND BENEFITS

4.1 Eligibility for Normal Retirement

A Participant in the Plan may retire from active employment following the attainment of age fifty-five (55); provided that the Participant has completed five (5) or more years of service with the Employer.

4.2 Normal Retirement Benefit

- a. Members of the Plan who are vested and who have previously terminated from the service of the Township shall receive the defined contribution benefit set forth and described more particularly in Appendix "A" hereto.
- b. Active employees of the Township, whose service with the Township commenced prior to January 1, 2003, shall receive, upon completing the age and service requirements as set forth herein, the defined contribution benefit set forth in Appendix "A" hereto, as well as a pension for life, payable in equal monthly installments in an amount to be computed by applying two percent (2%) credit for each year of service (maximum 60%) times the average monthly compensation for the thirty-six (36) months immediately preceding the Participant's retirement.
- c. Employees of the Township hired after January 1, 2003, who shall complete the age and service requirements as set forth herein, shall receive a pension for life, payable in equal monthly installments in an amount to be computed by applying two percent (2%) credit for each year of service (maximum 60%) times the average monthly compensation for the thirty-six (36) months immediately preceding the Participant's retirement.

4.3 Actuarially Equivalent Benefits

In lieu of the defined benefit retirement benefits contained herein, a Participant may elect, in writing, an actuarial equivalent, including a benefit for a surviving spouse, as shall be provided for in the benefit election form; provided that no such equivalent benefit may work the effect of providing a lump sum amount of money, or provide for a pension less than the amount herein established, unless such amount is reduced to pay the cost of an additional benefit such as a 120-month certain benefit.

4.4 Designation of Beneficiaries

Each Participant shall have the right to name the beneficiary or beneficiaries to receive the value of his or her defined contribution account should death occur prior to retirement.

If the Participant shall fail to name a beneficiary or beneficiaries, such benefits as would have accrued to the Participant's beneficiary or beneficiaries shall be paid to the Participant's estate.

Each Participant may from time to time change the beneficiary or beneficiaries in such form and in such manner as shall be prescribed by the Board.

4.5 Vested Benefit

- a. A vested deferred monthly benefit shall be provided for any Participant whose termination date occurs prior to that Participant's Normal Retirement Date. Such vested deferred monthly benefit shall be paid in accordance with the Participant's election upon attainment of the Normal Retirement Date and shall be based on the Participant's completed years of service as of the termination date in accordance with the following schedule:

<u>Years of Service</u>	<u>Vested Percentage</u>
0 – 5 years	0%
5 or more years	100%

- b. All employees hired before January 1, 2003, are deemed fully vested in their defined contribution benefit accounts as described in Appendix "A" hereto.

4.6 Termination

If for any reason a Participant shall terminate service with the Employer prior to becoming vested, that Participant shall be entitled to a refund of that Participant's contributions, if any, plus interest at a rate of six percent (6%) per annum. Such interest shall be uniform for all Participants.

If a Participant shall subsequently return to service and return to the Plan contributions plus interest which were refunded to that Participant upon termination, the Participant shall be entitled to credit for the prior years of service to the extent of the return of contributions.

Nothing in this Article shall be construed to allow credit for service not actually given to the Employer, except as specifically provided in Article VI.

4.7 Non-Alienation of Benefits and Vesting

No benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge. Nor shall any such benefits be in any manner liable for or subject to garnishment, attachment, execution, levy or other legal process.

Further, all benefits granted herein shall vest in the Participant upon completion of the requirements for eligibility, and that Participant's benefits shall continue in the amount and in the form in which that Participant first became entitled to them.

ARTICLE V

CONTRIBUTIONS

5.1 Contributions of the Employer

Contributions to the Plan by the Employer shall be in an amount determined by the annual Minimum Municipal Obligation (MMO) calculation, prepared in accordance with Act 205 of 1984, which is certified to the governing body of the Township by September 30 and included in the Township budget for the following year.

All contributions to the Plan subsequent to January 1, 2003, shall be utilized to fund the defined benefit set forth herein. No further contributions shall be made to the defined contribution accounts described in Appendix "A" hereto.

5.2 Contributions of Participants

Contributions by Participants in the Plan are currently not required, but the Employer reserves the right to require such contributions by Resolution in future years if necessary to ensure the actuarial soundness of the Plan.

5.3 Allocation of Commonwealth Funds

The payments made by the State Treasurer to the Employer from the monies received from the taxes paid on the premiums of foreign casualty insurance companies for purposes of retirement or disability benefit pensions for municipal employees shall be used as follows:

- a. to reduce the unfunded liability, or after such liability if funded,
- b. to apply against the annual obligations of the Employer for future service cost, or to the extent that the payments may be in excess of such obligation,
- c. to reduce or eliminate the contributions paid by the Participants, if applicable.

5.4 Allocation of Assets of Existing Pension Plans

Any assets of the existing defined contribution arrangement for the non-uniformed employees of the Township are hereby transferred to the Plan established pursuant to this Ordinance. Such assets shall be separately maintained from the defined benefit assets, and shall be utilized for the payment of benefits as set forth in Article IV. All earnings on such assets shall be allocated to the Participant's accounts in the same manner as was done heretofore.

5.5 Gifts, Bequest, and Grants

All other monies and property received by the Plan, including gifts, bequests, devises and grants shall be applied against the Employer portion of the future service cost unless otherwise specifically provided.

ARTICLE VI

CREDIT FOR MILITARY SERVICE

Any Participant in the Plan with at least six (6) months of service with the Employer, who thereafter shall enter the military service of the United States of America, shall have credited to that Participant's service record for pension benefit purposes only the initial term of military service of the Participant; provided that the Participant returns to service with the Employer within six (6) months after said Participant's separation from such military service.

ARTICLE VIII

TERMINATION OF THE PLAN

Upon termination of the plan, the assets shall be distributed as follows:

- a. Sufficient funds shall be maintained to provide the pension benefits prescribed in Article IV for all Participants who have retired prior to the termination of the Plan, or who are eligible to retire at the time of the termination of the Plan.
- b. Sufficient funds shall be maintained to provide the vested pension benefits prescribed in Article IV for all Participants who are eligible for such benefits.
- c. Of the remaining funds, those which can be identified as contributions of the Employees and Employer shall be distributed as the Board sees fit; provided that such distribution is made on a uniform basis.
- d. All funds in excess of the funds described in paragraphs a., b., and c. above shall be returned to the Commonwealth of Pennsylvania as unused funds.

ARTICLE VIII

PARTICIPANTS' RIGHTS AND MUNICIPALITY'S RIGHT TO TERMINATE

Neither the establishment of the Plan hereby created, nor any modification thereof, nor the creation of any fund or account, nor the payment of any benefits, shall be construed as giving to any Participant or other person any legal or equitable right against the Employer, or any officer or employee thereof, or the Board except as herein provided.

Under no circumstances shall the Plan hereby created constitute a contract for continuing employment for any Participant or in any manner obligate the Employer to continue or to discontinue the services of an Employee.

This Plan has been established and shall be maintained by the Employer in accordance with the laws of the Commonwealth of Pennsylvania. The Plan shall continue for such period as may be required by such laws; provided that the Employer may, by its own action, discontinue this Plan should such laws provide, and the Employer reserves the right to take such action in its sole and absolute discretion. Upon termination, the Employer shall have no liability hereunder other than that imposed by law.

ARTICLE IX

INVESTMENTS

All investments by the Board of the assets of this Plan shall comply with such regulations as the Board shall establish for the purpose of investing such funds.

ARTICLE X

AMENDMENTS

The Board reserves the right to amend at any time in whole or in part, any or all of the provisions of the Plan; provided that no such amendment shall authorize or permit any part of the Plan to be used or diverted to purposes other than for the exclusive benefit of the Participants, their beneficiaries, or their estates. Nor shall any amendment divest a Participant of benefits vested by the provisions of Article IV. All such amendments shall comply with the applicable statutes of the Commonwealth of Pennsylvania.

ARTICLE XI

CONSTRUCTION OF PLAN

This Plan shall be constructed according to the laws of the Commonwealth of Pennsylvania, and all provisions hereof shall be administered according to the laws of such Commonwealth.

Wherever any words are used herein in the masculine gender, they shall be construed as though they were also used in the feminine gender in all cases where they would so apply; and wherever any words are used herein the singular form, they shall be construed as though they were also used in the plural form in all cases where they would so apply.

Headings of Articles and paragraphs of this instrument are inserted for convenience of reference. They constitute no part of this Plan, and are not to be considered in the construction thereof.

Nothing herein contained shall be interpreted to diminish any benefit that may inure to any employee of the Township hired prior to January 1, 2003.

ARTICLE XII

SEVERABILITY

The provisions of this Ordinance shall be severable, and if any Article, paragraph, clause, sentence, or words of this Ordinance hereby adopted are declared for any reason invalid, unlawful,

Appendix "A"

The terms, definitions and provisions of this section apply only to employees of the Township hired prior to January 1, 2003, consistent with the provisions of the foregoing ordinance.

ARTICLE I

SECTION 1. There is hereby established the Ohio Township Defined Contribution Pension Plan, hereinafter referred to collectively with prior pension plans, as the "Plan."

SECTION 2. "The Plan is effective January 1, 1986.

SECTION 3. "Membership in Plan." All present full-time employees of the Township, except Police Officers, employed before January 1, 2003, are members of the Plan.

SECTION 4. "Conditions for Re-entering Plan." Any employee who leaves the service of the Township before retirement under this Plan must qualify as a member upon re-entering its service as if he had not previously been an employee.

SECTION 5. "Retirement Benefits." Upon retirement, a Participant shall receive as retirement benefits an amount equal to the total of all employer contributions to the Plan together with all earnings thereon, as shown in the Participant's account balance at the time of the retirement, however, that no retirement benefits shall be paid until actual retirement.

SECTION 6. "Death Benefits." If a Participant dies while any employee of the Township, his beneficiaries shall be entitled to receive the full amount of employer contributions, together with all earnings thereon, as shown in the Participant's account balance at the time of death. If a former employee whose participation has ceased under Section 8 dies, his beneficiaries shall be entitled to receive the value of the Participant's account. Each Participant may designate a beneficiary or beneficiaries for any death benefits at the time he enters the Plan. In the absence of the designation of beneficiary, any death benefits payable shall be paid to the Participant's estate.

SECTION 7. "Disability Benefits." If a Participant becomes totally disabled, he shall be entitled to receive the same benefits payable under Section 6 as if he had died while an employee of the Township. A Participant shall be deemed totally disabled for the purpose of this section only after he has been unable to perform any work for the Township for a period of thirty-five (35) weeks.

SECTION 8. "Termination of Participation in Plan." Cessation of a Participant's employment by the Township prior to the normal retirement date for a reason other than death or total disability shall terminate the Participant's membership in the Plan, subject, however, to the Participant's vested interest.

SECTION 9. "Administrative Expenses." All expenses necessary and reasonable to administer the defined contribution accounts shall be paid from the earnings thereon.

ARTICLE II

MISCELLANEOUS

SECTION 1. "Intent and Interpretation." The defined contribution benefit arrangement is created for the exclusive benefit of the employees and shall be interpreted in a manner consistent with it being employee's trusts.

SECTION 2. "Construction." Nothing herein shall be construed as creating or changing any contract of employment between the employer and its employees and the employer retains the right to deal with its employees and to terminate their employment at any time to the same extent as though these plans had not been created. Nothing herein shall be construed as limiting the right of the employer to change the compensation, salary, or remuneration of any employee at any time.

SECTION 3. "Severability." If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holdings shall not affect the validity of the remaining portions hereof.

or unconstitutional, it is the intent of the Employer that it had passed all other Articles, paragraphs, clauses, sentences, or words of this Ordinance independent of the elimination herefrom of any such portion as may be declared invalid, unlawful, or unconstitutional.

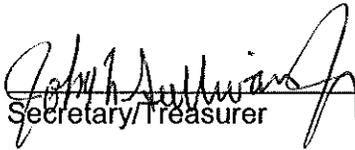
ARTICLE III

REPEALOR

This Ordinance repeals all other Ordinances and/or Resolutions prior to the date of this enactment which documents established, maintained, governed, or regulated a pension plan for the Non-Uniformed Employees of the Township of Ohio, Allegheny County, Pennsylvania, except as specifically provided herein.

ENACTED AND ORDAINED into an Ordinance at a regular meeting of the Township Supervisors of Ohio this 10th day of February, 2003.

ATTEST:


Secretary/Treasurer

Municipal Seal

BOARD OF SUPERVISORS


Chairman


Vice-Chairman


Supervisor