

TOWNSHIP OF WASHINGTON

FRANKLIN COUNTY, PENNSYLVANIA

ORDINANCE NO. 73

AN ORDINANCE

OF THE BOARD OF SUPERVISORS OF WASHINGTON TOWNSHIP, FRANKLIN COUNTY, PENNSYLVANIA ESTABLISHING AND REGULATING THE WASHINGTON TOWNSHIP MUNICIPAL PENSION PLAN AND THE EMPLOYEES' VOLUNTARY PENSION PLAN

WHEREAS, the Second Class Township Code, Act of May 1, 1933, as amended, Act of June 26, 1975, P.L. 34, No. 17, 53 P.S. s 65713, authorizes townships of the second class to contract with insurance companies granting annuities or pensions, for the pensioning of its employees; and

WHEREAS, it is the desire and intent of the Supervisors of this Township to establish a pension plan for the benefit of all qualified employees, with consideration being given for past service to the township.

NOW THEREFORE, BE IT ENACTED AND ORDAINED, by the Board of Supervisors of this Township as follows:

ARTICLE I

Definitions

The following terms wherever used or referred to in this Ordinance shall have the following meaning, except in those instances where the context indicates otherwise:

- (a) "Anniversary date": The first day of each year, including the year in which this Plan is effective.
- (b) "Employee": A full time employee of the Township of Washington, except members of the Police force. A full time employee is an employee who customarily works at least 35 hours in a week and 40 weeks in a year.
- (c) "Normal retirement date": The first day of the month coincident with or following the attainment of participant's sixty-fifth (65th.) birthday, or the first day coincident with or following the completion of ten (10) years of participation, whichever is later.
- (d) "Participant": Any employee as defined herein.
- (e) "Past service": Those years or months which a participant worked in service to the Township prior to the effective date of this ordinance.
- (f) "Plan": The Washington Township Municipal Pension Plan or the Washington Township Employees' Voluntary Pension Plan, whichever is applicable.
- (g) "Service to the Township": Employment by the Township, including leaves of absence granted by the Supervisors, absences due to illness, disability and vacation leaves and service in the armed forces of the United States, provided the employee returns to the employ of the Township within the time his employment rights are protected by law.
- (h) "Township": The Township of Washington, Franklin County, Pennsylvania.
- (i) "Trustee": The Board of Supervisors of the Township.

ARTICLE II

Washington Township Municipal Pension Plan

SECTION 1. Establishment of Plan and Title. There is hereby established the "Washington Township Municipal Pension Plan," hereinafter referred to as the "Municipal Plan".

SECTION 2. Effective Date and Plan Year. The effective date of the plan is January 1, 1981. The plan year is the period of twelve consecutive months beginning on a January 1 and ending on the next December 31.

SECTION 3. Membership in Plan. All present full time employees of the Township, except police officers, employed on January 1, 1981, are eligible for membership and shall become members of the plan on the anniversary date next following their date of employment.

SECTION 4. Conditions for Re-entering Plan. Except as provide in Section 5, 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. Conditions for Excusing Certain Discontinuances or Breaks in Service. The Township, through its supervisors, may excuse any discontinuance or break in service not exceeding a period of six (6) months. The time elapsed during any separation in service shall not be included in any computation of length of service.

SECTION 6. Funding of the Plan. The Plan shall be financed by periodic payments made by the Township in the amount of five (5%) percent of each participant's gross wages. The Trustee shall invest and re-invest the principal and income of the fund and keep the fund invested, without distinction between principal and income, in such securities as the Trustee shall deem advisable.

SECTION 7. Credit for Prior Service. Participants who were employees on the effective date of the Plan shall receive credit for a maximum of 10 years past service to the Township, and the Township shall make a lump sum contribution to the plan corresponding to the five (5%) percent of each employee's gross wages earned during the period of past service.

SECTION 8. Vesting. A participant shall have a vested interest in the contributions made on his behalf by the Township according to years of qualified participation in the Plan, according to the following schedule:

<u>Full Years of Participation</u>	<u>Percent of Vested Interest In Contributions</u>
0 THROUGH 4	None
5	50
6	60
7	70
8	80
9	90
10	100

Years of past service shall be added to years of participation after January 1, 1981 in determining years of participation for vesting purposes.

SECTION 9. 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 on the participant's account balance at the time of retirement, adjusted according to the vesting schedule set forth in Section 8; provided, however, that no retiremebt benefits shall be paid until actual retirement.

SECTION 10. Death Benefits. If a participant dies while an employee of the Townshi, 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, with no adjustments being made according to the vesting schedule set forth in Section 8.

If a former employee whose participation has ceased under Section 12 dies, his beneficiaries shall be entitled to receive whatever benefits said former employee would be entitled to receive under Section 13.

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 11. Disability Benefits. If a participant becomes totally disabled, he shall be entitled to receive the same benefits payable under Section 10 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, and only if he submits to the Township a certificate of total disability from the Social Security Administration.

SECTION 12. 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. Forfeitures of any amounts contributed by the Township shall not act to increase the interest of the remaining participants, but shall credited towards current or succeeding years' contributions by the Township.

SECTION 13. Benefits to Former Employess. Former employees whose participation in the Plan has ceased under Section 12, shall be entitled to receive, upon attaining the age of 65, 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 his attaining the age of 65, adjusted according to the vesting schedule set forth in Section 10.

SECTION 14. Continuation in Service after Normal Retirement Date. A participant, eligible to retire at sixty-five (65) may continue in the employ of the Township after his normal retirement date only upon request made to, and permission given by, the Supervisors. Such extended service shall be allowed on an annual basis only, and shall be permitted only upon successful completion of an annual physical examination by a physician chosen by the Township. Provided, however, no benefits hereunder shall be received until actual retirement. The employer shall continue to make contributions until the time of actual retirement.

SECTION 15. Rights of Township to Discontinue or Amend. It is the expectation of the Township that it will continue the Plan indefinitely and make the required payments of its contributions hereunder, but the continuance of the plan is not assumed as a contractual obligation of the Township and the right is reserved by the Township at any time to reduce or discontinue its contributions hereunder.

SECTION 16. Distribution upon Termination. Upon termination of the Plan or upon complete discontinuance of contributions by the Township, the Plan funds shall be distributed as follows:

First, all retirement, death, and disability benefits then payable shall be paid to participants entitled thereto.

Second, benefits shall be paid to all participants under Section 9 as though they had retired with full vested benefits immediately prior to termination of the Plan.

Third, all remaining funds shall be paid unto the Township general fund.

### ARTICLE III

#### Washington Township Employees' Voluntary Pension Plan

SECTION 1. Establishment of Plan and Title. There is hereby established the "Washington Township Employees' Voluntary Pension Plan", hereinafter referred to as the "Employees' Plan".

SECTION 2. Effective Date and Plan Year. The effective date of the Plan is January 1, 1981. The plan year is the period of twelve consecutive months beginning on a January 1 and ending on the next December 31.

SECTION 3. Membership in Plan. All present full-time employees of the Township, except police officers, employed on January 1, 1981, are eligible for immediate membership in the plan. All future full-time employees, except police officers, are eligible for membership on the anniversary date next following their date of employment.

SECTION 4. Funding of the Plan. The plan shall be financed by periodic voluntary participant contributions. Each participant may contribute to the fund in each plan year during which he is a member such amount as he may determine to contribute. However, such amount shall not exceed ten (10%) percent of the total compensation paid him by the Employer in such year.

SECTION 5. Declaration of Contribution. The amount of each participant's voluntary contribution shall be determined by the participant's direction to the Trustee prior to the beginning of each plan year on a form provided by the Trustee.

SECTION 6. Contributions by Payroll Deduction. Each participant's voluntary contribution as determined under Section 5 shall be by means of regular deductions from the wages paid to him by the Employer.

SECTION 7. Maintenance of Separate Accounts. Each participant's voluntary contributions shall be separately maintained and shall be non-forfeitable.

SECTION 8. Investment of the Trust Fund. The Trustee shall invest and reinvest the principal and income of the fund and keep the fund invested, without distinction between principal and income, in such securities as the Trustee shall deem advisable.

SECTION 9. Retirement Benefits. Upon retirement, a participant shall receive as retirement benefits an amount equal to the total of all employee voluntary contributions, together with all earning thereon, as shown in the participant's account balance at the time of retirement.

SECTION 10. Death Benefits. If a participant dies while an employee of the Township, his beneficiaries shall be entitled to received the participant's benefits provided in Section 9.

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 11. Termination of Participation in Plan. Cessation of a participant's employment by the Township prior to the normal retirement date shall terminate the participant's membership in the plan, and he may receive all of his voluntary contributions, together with all earnings thereon, as shown in the participant's account balance at the time of termination; or, with the consent of the Trustee, he may continue to maintain his separate account with the Trustee as theretofore maintained.

#### ARTICLE IV

##### Miscellaneous

SECTION 1. Intent and Interpretation. The Municipal Plan and the Employees' Plan are created for the exclusive benefit of the employees of the employer and shall be interpreted in a manner consistent with their being employees' trusts.

SECTION 2. Construction. The Municipal Plan and the Employees Plan are not to 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 in these plans 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.

SECTION 4. Effective Date. This Ordinance shall become effective five (5) days after the adoption hereof.

ENACTED AND ORDAINED this 2nd. day of November, 1981, in lawful session duly assembled.

ATTEST:

Shirley D. Grove  
Secretary

TOWNSHIP OF WASHINGTON  
FRANKLIN COUNTY, PENNSYLVANIA

By Robert A. Hull  
Chairman  
Board of Supervisors