

ORDINANCE NO. 107

AN ORDINANCE MODIFYING AN ESTABLISHED POLICE PENSION FUND OR PENSION ANNUITY FOR THE BENEFIT OF SUCH MEMBERS OF THE WASHINGTON TOWNSHIP POLICE FORCE WHO RECEIVE HONORABLE DISCHARGE THEREFROM BY REASON OF AGE AND SERVICE AND PROVIDING FOR CERTAIN DEATH BENEFITS; REPEALING ORDINANCE NO. 65; AND PROVIDING FOR THE HIRING OF AN ACTUARY.

WHEREAS, the Board of Supervisors of this Township, on May 23, 1977, adopted Ordinance No. 60, pursuant to the provisions of the Second Class Township Code, Act of May 1, 1933, 53 P.S. Section 65595, et seq., as amended, whereby a Police Pension Fund was established for the benefit of the Chief of Police of the Township and the Township's then one full-time officer; and

WHEREAS, upon the hiring of a third full-time police officer, the Township was required to establish a new Police Pension Fund under the provisions of the Act of May 29, 1956, P.L. 1804, Section 1, et seq., 53 P.S. Section 767, et seq., as amended; and

WHEREAS, by Act of December 7, 1979, P.L. 475, No. 99, Section 1, et seq., the Legislature amended the Police Pension Fund Act to provide for the vesting of benefits; and

WHEREAS, the Township desires to amend and reordain its policy with regard to the establishment and operation of a Police Pension Fund.

NOW, THEREFORE, in order to provide for retirement benefits for its full-time police officers and for the proper administration of the Police Pension Fund, the Township, under the authority of the Act of May 29, 1956, P.L. 1804, Section 1, et seq., 53 P.S. Section 767, et seq., as amended, does ordain as follows:

SECTION 1

Establishment of Police Pension Fund; Administration

(A) There is hereby established in Washington Township a Police Pension Fund to be maintained by an equal and proportionate monthly charge against each full-time member of the police force, by annual appropriations made by the Township, by payments made by the State Treasurer to the Township from moneys received from taxes paid upon premiums by foreign casualty insurance companies for the purposes of pension retirement for policemen and by gifts, grants, devises or bequests granted to the Pension Fund pursuant to Section 2 hereof.

(B) The Fund shall be under the direction of the Township Supervisors and shall be applied for the benefit of such members of the police force as shall receive honorable discharge therefrom by reason of age and service and for death benefits as hereinafter provided.

SECTION 2

Contributions to the Fund

The Police Pension Fund is hereby authorized to take by gift, grant, devise or bequest any money or property, real, personal or mixed, in trust, for the benefit of such Fund, and the care, management, investment and disposal of such trust funds and property shall be vested in the Township Supervisors, and the said trust funds shall be governed by regulations prescribed by ordinance by the Township Supervisors, subject to such directions not inconsistent therewith as the donors of such funds and property may prescribe.

SECTION 3

Qualifications; Entitlement to Benefits

(A) In order to become entitled to benefits, a member shall have a minimum period of total police service not less than an aggregate of twenty-five (25) years in Washington Township and shall have attained the age of fifty-five (55) years, after which he shall be eligible for retirement from active duty and such members as are retired shall be subject to service from time to time, as a police reserve, until unfit for such service, when they shall be finally discharged by reason of age or disability.

(B) If the twenty-five (25) years of service of a member not be continuous service, then such member shall receive no credit for service prior to his most recent continuous term of service unless and until such member shall have paid back to the Pension Fund all charges refunded to him under Section 6 hereof.

(C) No person shall be regarded as a member of the police force for the purposes of this ordinance, nor shall he be a member of the retirement plan herein established, nor shall he have any rights under this ordinance, until he shall have been employed as a policeman by Washington Township for a period of six months.

(D) Benefits shall become vested as set forth in Section 4 hereunder.

SECTION 4

Determination of Pension Payable; Vesting; Beneficiary Benefits

(A) Payments made under the provisions of this ordinance shall not be a charge on any other fund in the treasury of this Township, or under its control, save the Police Pension Fund provided for herein.

(B) The basis for determining any pension payable under this ordinance, following retirement of any member of the force meeting the service and age qualifications above provided, shall be as follows: Monthly pension or retirement benefits other than length of service increments shall be computed at one-half the monthly average salary of such member during the last thirty-six (36) months of employment.

(C) Should any member of the police force, before completing superannuation retirement age and service requirements but after having completed twelve (12) years of total service, for any reason, cease to be employed as a full-time police officer by the Township, he shall be entitled to vest his retirement benefits by filing with the Township within ninety (90) days of the date he ceases to be a full-time police officer a written notice of his intention to vest. Upon reaching the date which would have been his superannuation retirement date, if he had continued to be employed as a full-time police officer, he shall be paid a partial superannuation retirement allowance determined by applying the percentage his years of service bears to the years of service which he would have rendered had he continued to work until his superannuation retirement date to the gross pension, using, however, the monthly average salary during the appropriate 36-month period prior to his termination of employment.

(D) Widows' and children's benefits shall be determined as follows:

- (1) In case of the death of a non-vested member, from any cause whatever, during such time as he shall be actively employed as a member of the Township police force, his designated beneficiary, or his estate, as the case may be, shall receive such death benefits as are hereinafter prescribed by policies of life insurance, and shall not be entitled to any other benefits from the Police Pension Fund.
- (2) In case of the death of a retired, vested member, the member's surviving spouse, or if there is no surviving spouse or if the surviving spouse subsequently dies or remarries, then the member's children under the age of eighteen (18) years may, during his or her lifetime in the case of a surviving spouse or until reaching the age of eighteen (18) years in the case of a child or

children, be entitled to receive a pension calculated at the rate of fifty (50%) percent of the pension the member was receiving.

- (3) In case of the death of a vested member during such time as he shall be actively employed on a full-time basis as a member of the Township police force, said surviving spouse or children shall be entitled to receive both the death benefits as are hereinafter prescribed by policies of life insurance and the pension benefits.

SECTION 5

Permitted Investments

(A) For the purpose of providing benefits from the Police Pension Fund, the Township shall apply and use the moneys in said Fund (1) to purchase whole life insurance policies, annuity policies, and endowment policies, said policies respectively designating as insureds each of the members of the police force and as beneficiaries such persons, if any, as the respective insureds may select within the requirements of the law, and (2) to invest in lawful securities or investments as a funded reserve to meet any pension obligation not funded through life insurance, annuity or endowment policies.

(B) Any life insurance, annuity or endowment policy shall be purchased only from life insurance companies duly qualified and authorized to do business within the Commonwealth of Pennsylvania. The Township shall be the owner of all such policies and shall retain all rights of ownership including, but not limited to, all rights of cashing, converting and electing options thereunder. All life insurance policies shall be surrendered upon a member's retirement, and the cash surrender value proceeds thereof shall become a part of the general assets of the Pension Fund.

(C) Investments in lawful securities or investments as a funded reserve to meet any pension obligation not funded through life insurance, annuity or endowment policies shall be made according to plan documents and pension contracts entered into from time to time and adopted by resolution.

SECTION 6

Refund to Ineligible Participants

Any member who, for any reason whatsoever, shall be ineligible to receive a pension upon the termination of his employment as a police officer of the Township after having contributed any charges to the Fund established pursuant to this ordinance shall be entitled to a refund of

all moneys paid by him into such Fund immediately upon the termination of such employment in the following manner:

- (1) If the termination of his employment is due to death, the face amount of any and all annuity or life insurance policies providing for death benefits shall be paid to his designated beneficiary, or in the absence thereof to his estate, in accordance with the terms of the said policies. All annuity policies issued on his account but containing no death benefits shall be cashed forthwith and the proceeds thereof shall become a part of the general assets of the Pension Fund. No payments in addition to the foregoing will be made on behalf of a deceased member under this subparagraph except to the extent that the charges paid by the deceased member shall exceed the face value of the annuity or life insurance policies providing for death benefits.
- (2) If the termination of employment as a Township police officer shall be due to any reason other than his death, all annuity or life insurance policies purchased on his account shall be cashed by the Township. However, such former member shall, immediately upon the cashing of said policies, be paid out of the cash proceeds thereof an amount equal to the total of the charges contributed by him with interest and the balance of the cash proceeds shall become a part of the general assets of the Pension Fund.

SECTION 7

Member Contributions

(A) Members shall pay into the Fund monthly an amount equal to five (5%) percent of their total monthly compensation. The aforesaid member contributions, together with the other sources of revenue as herein provided, shall be devoted exclusively to the purposes of this ordinance.

(B) If an actuarial study shows that the condition of the Police Pension Fund is such that payments into the Fund by members may be reduced below the minimum percentage above prescribed, or eliminated, and that if such payments are reduced or eliminated, contributions by the Township will not be required to keep the Fund actuarially sound, the Board of Supervisors may, on an annual basis, by resolution, reduce or eliminate payments into the Fund by members.

SECTION 8

Nondeprivation of Participation Rights

No person participating in the Police Pension Fund, established pursuant to this ordinance, who becomes entitled to receive a benefit therefrom, shall be deprived of his right to an equal proportionate share therein upon the basis upon which he first became entitled thereto.

SECTION 9

Nonassignability of Pension Payments

The pension payments herein provided for shall be payable only to the member or his designated beneficiary and shall not be subject to assignment or transfer.

SECTION 10

Expenses of Administration

The expense of the administration of this Fund, including the compensation of an actuary and a custodian of the Fund, exclusive of the payments of retirement allowances, shall be paid by this Pension Fund.

SECTION 11

Appointment of Actuary

The Supervisors may by resolution appoint an actuary to examine the Fund from time to time for compiling a report for submission to any agency of the Commonwealth and shall fix his compensation to be paid from this Pension Fund.

SECTION 12

Repealer and Transfer of Assets

Township Ordinance No. 65 is hereby repealed, and the assets of the Police Pension Fund established thereunder shall be maintained as is and shall be applied to and become a part of the general assets of the Police Pension Fund established herein. Any other ordinances, or part

or parts of any other ordinance inconsistent or conflicting with the provisions of this ordinance are hereby repealed insofar as the same are inconsistent or conflicting with this ordinance.

SECTION 13

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 separate, distinct, and independent provisions and such holdings shall not affect the validity of the remaining portions hereof.

SECTION 14

Effective Date

This ordinance shall become effective five (5) days after the adoption hereof.

ENACTED AND ORDAINED this 3rd day of October, 1988, in lawful session duly assembled.

ATTEST:

WASHINGTON TOWNSHIP BOARD
OF SUPERVISORS

Juanita L. Ausherman
Juanita L. Ausherman, Secretary

By _____
Gary F. Bercaw, Chairman