

ORDINANCE NO. 65

AN ORDINANCE ESTABLISHING A 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. 60 WHICH AUTHORIZED THE SECURING OF PENSION ANNUITY CONTRACTS FOR POLICE-MEN: 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's one full-time officer; and

WHEREAS, pursuant to the provisions of said Ordinance No. 60 certain life insurance policies, retirement annuity policies and retirement income policies were purchased in order to fund said Police Pension fund; and

WHEREAS, under the provisions of said Ordinance No. 60 the normal retirement age for participants was fifty-five (55), with a minimum of twenty (20) years of continuous service; and

WHEREAS, under the provisions of said Ordinance No. 60, retiring participants were entitled to receive retirement benefits amounting to one-half of their monthly pay at the date of retirement; and

WHEREAS, the hiring of a third full-time police officer requires the Township to establish a new Police Pension Fund under the provisions of the Act of May 29, 1956, P.L. (1955) 1804, section 1, et seq., 53 P.S. section 767, et seq., as amended.

NOW, THEREFORE, in order to provide for retirement benefits of 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. (1955) 1804, section 1, et seq., 53 P.S. section 767, et seq., as amended, does ordain as follows:

SECTION 1. (A) There is hereby established in Washington Township a police pension fund or pension annuity to be maintained by a 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 monies 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) Such 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. 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 funds, and the care, management, investment and disposal of such trust funds or property shall be vested in the Township Supervisors, and the said trust fund shall be governed by regulations prescribed by the Township Supervisors, subject to such directions not inconsistent therewith as the donors of such funds and property may prescribe.

SECTION 3. (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 may retire from active duty, and such members as are retired shall be subject to service from time to time, as a police reserve, in cases of riot, tumult or preservation of the public peace until unfitted for such service, when they shall be finally discharged by reason of age or disability; provided, however, that members of the police force for whom a pension fund had previously been established under Ordinance No. 60, (repealed hereby) adopted May 23, 1977, shall become entitled to benefits upon having attained the age of fifty-five (55) years with a minimum period of total police service not less than twenty (20) years.

(B) If the twenty-five (25) years service of a member be not 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 the period of six (6) months.

(D) Benefits under the police pension fund shall become vested only at such time as a member become entitled to benefits as set forth in this section.

SECTION 4. (A) Payments made under the provisions of this Ordinance shall not be charged on any other fund in the treasury of Washington Township, or under its control, save the police pension fund herein provided for.

(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 shall be one-half (1/2) of the monthly average base salary of such member during the last thirty-six (36) months of employment, with no offset of same of primary benefits under Federal social security laws for which any member of the force may be eligible.

(C) Widows' and childrens' 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 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 either such benefits as are hereinafter prescribed by policies of life insurance or the pension benefits described in subsection (C) (1) of this Section but not both.

SECTION 5. (A) For the purpose of providing benefits from the police pension fund, the Township shall apply and use the moneys in the 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. 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 monies paid by him into such funds immediately upon the termination of such employment in the following manner:

(A) 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 policies providing for death benefits.

(B) 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. (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 in to the fund by members.

SECTION 8. 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. The pension payments herein provided for shall not be subject to attachment, execution, levy, garnishment or other legal process and shall be payable only to the member or his designated beneficiary and shall not be subject to assignment or transfer.

SECTION 10. The expense of the administration of this fund, exclusive of the payments of retirement allowances, shall be paid by the Township by appropriations made by the Board of Supervisors.

SECTION 11. The Supervisors may by Resolution appoint an actuary to examine the fund from time to time for compiling a report to any agency of the Commonwealth and shall fix his compensation to be paid from the Township General Fund.

SECTION 12. Township Ordinance No. 60 is hereby repealed, and the assets of the police pension fund established thereunder shall be converted to cash, which 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 are hereby repealed insofar as the same are inconsistent or conflicting with this Ordinance.

SECTION 13. 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 in separate, distinct, and independent provisions and such holdings shall not affect the validity of the remaining portions hereof.

SECTION 14. This Ordinance shall become effective five (5) days after the adoption hereof.

ENACTED AND ORDAINED this 17th. day of March, 1980, in lawful session duly assembled.

ATTEST

WASHINGTON TOWNSHIP  
BOARD OF SUPERVISORS

By Thurlow R. Null  
Thurlow R. Null, Chairman

Shirley B. Grove  
Shirley B. Grove, Secretary