

ORDINANCE NO. 210

AN ORDINANCE ESTABLISHING AND
REGULATING A PENSION FUND FOR
NON-UNIFORMED TOWNSHIP EMPLOYEES.

PENN TOWNSHIP HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Establishment. A pension fund for non-uniformed employees of Penn Township is hereby established under the supervision of the Board of Commissioners of Penn Township and subject to the terms set forth herein. The funds of the pension fund shall be applied pursuant to state law, this Ordinance, and to such regulations as shall be adopted by resolution of the Board of Commissioners for the benefit of such participants in the pension fund as shall retire from Penn Township by reason of age as hereinafter further provided.

SECTION 2. Supervision. The pension fund shall be under the direction of the Board of Commissioners of Penn Township and shall be managed and applied under such regulations as shall be prescribed by Ordinance or Resolution of such Board. The Board of Commissioners shall appropriately arrange for the investment of such moneys in the fund in such manner as is permitted by law to provide the benefits under the terms of this Ordinance.

SECTION 3. Maintenance. The pension fund shall be maintained by: A contribution by Penn Township in the amount of 5% of each participants gross annual compensation which includes all base pay, overtime pay, commissions, bonuses paid to or accrued by a participant during a calendar year; or the amount necessary to provide a minimum monthly pension of \$25 at normal retirement age, if greater.

SECTION 4. Members. Each Township employee, except those covered by a separate mandated pension, who is employed by the Township a minimum of 40 hours per week and who is so employed or is expected to be so employed for a minimum of 2000 hours during a full calendar year shall be eligible to participate after 90 days of such employment.

SECTION 5. Retirement Date. The normal retirement date shall be the Plan anniversary date nearest the employee's sixty-fifth birthday. Upon written notice to the Penn Township Board of Commissioners on or before the last day of June next preceding such normal retirement date and with favorable action on a Resolution of the Board authorizing employment after said normal retirement date, an employee may continue his employment on a year to year basis. Requests for subsequent continued employment and favorable Board action on a resolution authorizing such employment shall be required for each year continued employment is desired.

SECTION 6. Retirement Benefit. The basis for determining any pension payable under this ordinance following retirement of any employee meeting the age requirements shall be the benefit purchased by the contributions as defined in Section 3 (A) with interest accumulated thereon. Such benefit shall be, in the case of a married employee, a joint and survivor annuity which shall be payable for the life of the employee with a survivor annuity for the life of his spouse of not less than one-half, or greater than, the amount of the annuity payable during the joint lives of the employee and his spouse, and which is the actuarial equivalent of a life annuity for the employee; or in the case of an unmarried employee, a life annuity with 10 years certain, or in any event the actuarial equivalent of the aforementioned annuities, including lump sum distribution if mutually agreed to in writing between the Commissioners and the retiring employee, provided such election is made on or before June 30 preceding retirement date.

SECTION 7. Termination of Employment and Vesting. After five years of continuous employment while covered by this ordinance, a terminating employee shall be vested 100 percent in all funds credited to his account at time of termination. These funds will be retained in the fund and invested and reinvested for the benefit of such terminating employee without further contributions unless such employee notifies the Board not less than ninety days prior to the anniversary date of the Plan of his desire to withdraw funds as hereinafter provided. An employee may upon termination of employment or subsequent to such termination, withdraw a portion of all funds credited to his account on the following schedule: After the fifth anniversary of employment under the plan, not more than fifty percent, with not more than twenty percent each year until all funds are withdrawn; after the sixth anniversary of such employment, sixty percent, with twenty-five percent each year thereafter until all funds are withdrawn; after the seventh anniversary, seventy percent, with thirty-three-and-one-third percent each year thereafter; after the eighth anniversary, eighty percent with fifty percent each year thereafter; after nine years, ninety percent, with 100 percent at the tenth anniversary; after ten years, one hundred percent.

In the event of the death of the employee prior to his normal retirement date, or in the event of becoming disabled so as to qualify, and be qualified, for disability benefits under the Social Security Act all funds credited to his account shall become payable to his beneficiary or to him, as the case may be. Such payment shall be in a lump sum or in any other manner mutually agreed upon by the recipient and the Commissioners.

SECTION 8. Grievances. Any employee aggrieved by any ruling or action regarding the pension fund and his relations thereto, shall have the right to a hearing before the Board of Commissioners of Penn Township within fifteen (15) days from his written request therefore, which hearing he may attend in person or by represented

counsel and may bring witnesses on his behalf. Minutes and records shall be kept of the testimony and facts produced at such hearing, and the Board of Commissioners of Penn Township may make such ruling thereon as in the matter is just and lawful.

SECTION 9. Benefits Not Subject to Assignment of Attachment. No payments to any employee or beneficiary or beneficiaries of any employee under this ordinance may be assigned or attached in any manner or for any purpose, reason or cause or under any circumstances.

SECTION 10. Administration. The Board of Commissioners is responsible for administration of the Plan, and is hereby authorized to enter into contracts with any financial institution, insurance company, or other properly qualified financial advisers by Resolution to carry out the provisions of this Ordinance.

SECTION 11. Amendments and Termination. The employer reserves the right to amend any provisions set forth in this Plan at any time and to any extent that it may deem advisable without the consent of any Participant or any Beneficiary, provided, however, that no amendment shall deprive any Participant of his vested interest. No amendment may make it possible for any part of the corpus or income of the fund to be used for or diverted to purposes other than for the exclusive benefit of the Participants or their Beneficiaries.

Any amendment of this Plan by the Employer shall be set forth in an instrument in writing executed by duly authorized officers on behalf of the Employer and when so executed the Plan shall be deemed to have been amended to the extent therein set forth.

This Plan is purely voluntary on the part of the Employer, and the Employer reserves the right at any time and at its sole discretion, with proper notification to the Township employees covered by the Plan to reduce or discontinue contributions to this Plan and/or to terminate it.

Upon termination of this Plan or the complete discontinuance of contributions to the Plan all amounts allocated to Participants' accounts as of the date of termination shall become fully vested in such Participants and shall not thereafter be subject to forfeiture. The amount to be distributed to each Participant may be placed in a non-transferable deferred annuity within sixty (60) days after the amount becomes available with the Participant as owner. Alternatively, the Participant may indicate to the Plan Administrator his preference of a cash distribution or the ownership of the Insurance Contract or certificate transferred to him. If after such distribution any funds remain in the Fund, such funds shall be distributed in the ratio that the monthly Compensation of each participant at the date of termination bears to the total monthly Compensation of all Participants.

SECTION 12. Miscellaneous. The headings of this Ordinance have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

Nothing herein contained shall be construed as giving any Participant the right to be retained in the service of the Employer, nor upon dismissal or upon his voluntary termination, to have any right or interest in this Plan other than as provided herein.

Whenever under the terms of this Ordinance the Employer is permitted or required to take some action, such action may be taken by any officer of the Employer who has been duly authorized by the Penn Township Board of Commissioners.

The validity of this Plan or any of its provisions shall be determined under and construed according to the applicable provisions of the First Class Township Code. If any provisions of this Plan shall be held illegal or invalid for any reasons, such determination shall not effect the remaining provisions of this Plan and it shall be construed as if said illegal or invalid provision had never been included.

If a dispute arises as to the proper recipient of any payment or delivery of any amounts under this Plan, the Administrator in his sole discretion may withhold or cause to be withheld such payment or delivery until the dispute shall have been settled by the parties concerned or shall have been determined by a court of competent jurisdiction.

This Plan may be executed in any number of counterparts, each of which shall be deemed to be an original and the counterparts shall constitute one and the same instrument.

If benefits under the Plan for any Participant or Beneficiary are denied, the Plan Administrator shall give written notice thereof to such Participant or Beneficiary setting forth the specific reasons for the denial in a manner designed to be understood by such Participant or Beneficiary for a full and fair review of such decision to deny benefits by the Plan Administrator.

SECTION 13. Should any section or any provision of this ordinance be declared by a Court of competent jurisdiction to be invalid, such invalidity shall not affect the ordinance as a whole or any other part thereof.

ENACTED AND ORDAINED this 16th day of March, 1977.

BOARD OF COMMISSIONERS OF
PENN TOWNSHIP

By: Wesley S. Danner
President

Attest:
Karen M. Little
Secretary