

ORDINANCE NO. 1, 1986

AN ORDINANCE CODIFYING AND REGULATING THE POLICE PENSION PLAN FOR THE POLICE EMPLOYEES OF THE BOROUGH OF COALDALE, SCHUYLKILL COUNTY, PENNSYLVANIA.

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BE IT ORDAINED AND ENACTED BY THE BOROUGH OF COALDALE COUNCIL
THAT:

ARTICLE I. ESTABLISHMENT OF POLICE PENSION PLAN

1.1 Under the provisions of the Act 600 of the General Assembly of Pennsylvania, and any other statutes now or hereafter pertaining or applicable thereto, there is hereby established the Police Employees' Pension Plan of the Borough of Coaldale hereinafter referred to as the Plan.

ARTICLE II. MAINTENANCE AND REGULATION OF PLAN

2.1 The Plan is to be funded by monies from the following sources, if necessary:

a. employee contributions of police officers who hold a full-time position in the police department of the Borough,

b. allocations of monies received from the Commonwealth of Pennsylvania for the purpose of retirement or disability pensions for Borough employees under any present or future law providing therefor,

c. by such appropriations thereto as may be lawfully made by the Borough,

d. by gifts, grants and bequests received by the Plan and by receipts from the investments of the Plan.

The Plan shall be under the direction of the Borough Council under such regulations as it may from time to

time, by ordinance or resolution, prescribe for the benefit of such police employees of the Borough as shall receive honorable discharge therefrom by reason of age and service, or disability. All pensions as shall be allowed to those who are retired by reason of disability shall be in conformity with the uniform scale.

ARTICLE III. ADMINISTRATION OF THE PLAN

3.1 The Police Employees' Pension Plan of the Borough of Coaldale shall be managed and administered and shall be vested in a Police Pension Board which shall consist of four members as follows:

(a) The President of the Borough Council, the Borough Secretary and the Mayor shall be members of the Police Pension Board.

(b) One full-time police officer of the Borough who is a participant of the Plan shall be a member of the Police Pension Board. This officer shall be chosen by the police officers who are participants in the Plan and shall be elected each year prior to the Anniversary Date of the Plan (January 1).

(c) The Borough Secretary shall serve as Secretary of the Police Pension Board.

(d) The Police Pension Board may appoint from its members such committees with such powers as they shall determine, and may adopt such rules and regulations appropriate for the conduct of the business of the Police Pension Board subject to the approval thereof by Borough Council.

(e) The Trustees shall be bonded in such amounts as shall be determined by Borough Council.

ARTICLE IV. FIDUCIARY RESPONSIBILITIES - TRUSTEES

4.1 The President of the Borough Council, the Borough Secretary and the Mayor shall act as Trustees of the Plan.

4.2 The Borough Treasurer shall forthwith remit to the Trustees all funds received by him for the purposes of the Plan or appropriated thereto by the Borough, with memorandum as to the source thereof, and shall secure its receipt therefor. The Trustees shall receive the same and invest any funds not currently required for disbursement in the same manner and in the same kinds of securities as are authorized by law for banks chartered by the Commonwealth of Pennsylvania.

4.3 The Trustees shall pay benefits out of the Plan only at such times, to such persons and in such amounts as may be certified to them by the Secretary of the Police Pension Board at direction of the Police Pension Board. The Trustees shall annually submit to the Borough Council a detailed report of their administration of the Plan, which reports when so submitted shall be open to inspection by any interested party.

4.4 The Plan is hereby authorized to receive by gift, grant, devise or bequest any money or other property, real, personal or mixed, in trust for the benefit of the Plan, and the care, management, investment, and disposal of such trust funds or property shall be vested in the Trustees having the management of the Plan, and the said trust funds or property shall be

administered in accordance with the regulations governing the Plan subject to such directions not inconsistent therewith as the donors of such funds or property may prescribe.

ARTICLE V. ELIGIBILITY FOR PLAN MEMBERSHIP

5.1 Each police officer employee holding a full-time position in the police department and who works not less than an average of forty (40) hours per week for a stated salary or compensation, shall become a Participant of the Plan.

ARTICLE VI. CONTRIBUTIONS TO PLAN

6.1 The Borough of Coaldale agrees to contribute the payments made by the State Treasurer to the Treasurer of the Borough from the moneys receives from taxes paid upon premiums by foreign casualty insurance companies for purposes of pension, retirement or disability benefits for policemen which shall be used as follows:

(i) to reduce the unfunded liability, or after such liability has been funded,

(ii) to apply against the annual obligation of the Borough for future service and disability reserve costs.

It shall be the duty of the Borough to apply such payments in accordance with the provisions of this act.

6.2 If determined necessary by the Actuary, Participants may be required to contribute a percentage, not less than five percent (5%), nor more than eight percent (8%), of their monthly compensation to the plan.

6.3 The monthly compensation of a participant is the amount paid as a fixed salary or wage on an Anniversary Date of the Plan, computed on a monthly basis, including overtime and longevity pay, but excluding premiums, bonuses and other non-recurring compensation.

6.4 Interest shall be credited to Participants' contributions, if any, at the rate of 5%.

6.5 Any police employee who for any reason whatsoever shall be unable to receive a pension after having contributed any amount to the Plan established pursuant to the provisions of this Ordinance shall be entitled to a refund of all such monies paid by him into such Plan, with such interest as may be credited to the employee's account. If such discontinuance is due to death, such money shall be paid to his beneficiary or beneficiaries, or in the absence of such designation to his personal representative. However, he shall have no claim to accumulated assets of the Plan.

ARTICLE VII. BENEFITS AND RETIREMENT DATES

7.1 NORMAL RETIREMENT DATE - The Normal Retirement Date for a Participant shall be the first day of the month following the fifth (50th) birthday, provided the Participant has completed twenty-five (25) years of credited service, and the Participant does not desire to continue with the police department. If a Participant does desire to continue employment with the police department, his retirement will be terminated upon his giving notice to Borough Council.

7.2 DEFERRED RETIREMENT

(a) A Participant shall continue employment after his Normal Retirement Date, unless requested by Borough Council to terminate such employment.

(b) A Participant who desires to continue employment past his Normal Retirement Date, but who is requested by the Borough Council to terminate such employment, shall have the same rights as are provided under the Civil Service Regulations of the Borough.

(c) If a Participant who has deferred retirement determines to no longer continue with the police department, he shall be retired upon his giving notice to Borough Council.

7.3 NORMAL RETIREMENT BENEFIT

*See 3
Amended by
Ordinance No. 3-1991*
The Retirement Benefit of a participant shall be equal to one-half ($\frac{1}{2}$) his average monthly compensation received during the last thirty-six (36) months of employment, continuing for life in equal monthly payments and ceasing in the month of death. Such pension or retirement benefits for any month shall be computed as the sum of:

(a) any pension benefits from pension plans heretofore established by a private organization or association for the members of the police force but only to the extent that this Commonwealth or any of its municipalities shall have contributed to such pension plan monies raised by taxation.

(b) benefits from the police pension fund established pursuant to this act to the extent necessary to bring the total benefits in any month up to one-half ($\frac{1}{2}$) the aforesaid monthly average compensation.

(c) 75% of any primary benefits under the Federal Social Security Act for which the officer may be eligible because of age.

7.4 DISABILITY RETIREMENT BENEFIT

(a) If a Participant shall qualify for a permanent and total disability benefit under the provisions of the Plan, and such disability is confirmed by the Police Pension Board, such participant shall be eligible to receive a disability benefit from the Plan.

(b) In the event of permanent service-related disability, benefits shall become payable to an injured police officer in an amount equal to the pension which he or she would have received if the date of disability had been the Normal Retirement Date.

(c) Total and permanent disability means a physical or mental condition resulting from bodily injury or disease or mental disorder which renders the member incapable or engaging in any gainful employment.

(d) A determination by Council or its agency that a member is totally and permanently disabled shall be required for such member to receive a disability benefit under the Plan. Before making such determination, Council or its agency shall secure the opinion of one or more practicing physicians licensed to practice medicine. Council shall have the right to require a physical examination and a redetermination at its option. In the event total disability becomes partial disability, then in such event benefits shall continue to be payable to the injured

police officer in an amount equal to two-thirds (2/3rds) of the difference between the income and the amount of pension which the member should have received should the officer remain permanently disabled.

7.5 PRE-RETIREMENT SURVIVOR BENEFIT

Benefits shall accrue to the family of members who are entitled to benefits by reason of having been killed in the service of the Borough. "In the service" shall be interpreted only as meaning while performing the assigned employment duties of the Borough of Coaldale Police Department and not in other non-employment related activities.

The benefit shall be calculated at the rate of fifty (50%) percent of the benefit that the officer would have been receiving had the member been retired at the time of death.

7.6 SURVIVOR BENEFITS

Benefits shall accrue to widows, widowers and certain minor children of members who are entitled to benefits by reason of age and service or disability. The widow or widower of a member of the police force, or a member who retired on pension having met the age and service requirement or who has retired on disability pension, or if no widow or widower survives, or if he or she survives and subsequently dies or remarries, then the child or children under the age of eighteen (18) years of such member of the police force, shall, during his or her lifetime or so long as she or he does not remarry in the case of a widow or widower, or until 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 percent (50%) of pension the officer was receiving or would have been receiving had the member been retired at the time of death.

7.7 COST-OF-LIVING ADJUSTMENT

The Council of the Borough of Coaldale shall have the authority, upon the recommendation of the Police Pension Committee, to provide by Resolution for a cost-of-living increase for certain members of the Borough Police Department receiving retirement benefits. These cost-of-living increases may be granted provided, however, that such cost-of-living increase shall not exceed the following:

1. The percentage increase in the Consumer Price Index from the year in which the police member last worked.
2. In no case shall the total police pension benefits exceed seventy-five percent (75%) of the salary used for computing basic retirement benefits.
3. The total cost-of-living increase shall not exceed thirty percent (30%).

No cost-of-living increase shall be granted which would impair the actuarial soundness of the Borough of Coaldale Police Pension Fund. Prior to the recommendation of the cost-of-living increase, the Police Pension Board shall direct the Fund Actuary to submit a written cost estimate of the funding cost of such an adjustment.

7.8 SERVICE INCREMENT BENEFIT

In addition to the benefits described above, the Borough establishes a service increment benefit for service in

excess of 25 years. The service increment benefit shall be equal to \$10 for each year of service in excess of 25. In no event shall the total service increment benefit exceed \$100 per month.

ARTICLE VIII. EMPLOYMENT NOT GUARANTEED FOR MEMBERS OF PLAN

8.1 The establishment of the Plan shall not be construed as conferring any legal rights upon any police employee or other person to a continuation of employment nor shall it interfere with the rights of the Borough to discharge any police employee or to treat him without regard to the effect which such treatment might have upon him as a member of the Plan.

ARTICLE IX. NONALIENATION OF BENEFITS - PROTECTIVE PROVISIONS

9.1 Except insofar as may be otherwise be required by law, no benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to do so shall be void, except as specifically provided in the Plan, nor shall any such benefits be in any manner liable for or subject to garnishment, attachment, execution, levy, or other legal process for the collection of debts or liable for or subject to the debts, contract, liabilities, engagements, or torts of the person entitled to such benefit.

ARTICLE X. AMENDMENT AND TERMINATION OF THE PLAN AND TRUST

10.1 Borough Council desires to continue the Plan permanently, but must necessarily reserve the right to change, modify or discontinue it. Any change in the Plan will not affect the values

that have been accumulated for each participant prior to the date of the change. If the Plan is ever terminated, the participants who have retired under its provisions will be entitled to first claim of the assets of the Trust Fund, any any balance of the assets will be distributed among all other participants according to a formula to be developed by the Police Pension Board and approved by the Borough Council.

10.2 No person participant in the Plan established pursuant to the provisions of this Ordinance who becomes entitled to receive a benefit therefrom shall be deprived of his right to an equal share therein upon the basis upon which he first became entitled hereto.

ARTICLE XI. PLAN DOCUMENTATION

11.1 Notwithstanding any information that is made available by the Borough of Coaldale, the Pension Board, or the Trustee to Members of the Plan through the distribution or descriptive booklets, bulletin board notices, payroll notices, or oral announcements, any Member of the Plan may examine the Plan, the Trust Agreement, and all Amendments thereto at the main office of the Borough of Coaldale at such mutually convenient time as is arranged by the Member and a representative of the Borough of Coaldale, the Board, or the Trustee.

ARTICLE XII. GENERAL PROVISIONS

12.1 ADMINISTRATIVE EXPENSES

The expenses of administration of the Plan established by this Ordinance, including the compensation of the

actuary and the bond for the Trustee of the Plan, exclusive of the payment of retirement or disability benefits, shall be paid by the Trustee from the assets of the Pension Fund. If not paid by the Trustee then by the Borough by appropriations made by Borough.

12.2 AMENDMENT OF ORDINANCE

Insofar as the provisions of this Ordinance are the same as statutory provisions, they shall be subject to change or repeal to comply with any future statutory provisions, and the provisions of this Ordinance may be amended or repealed if statutory authority be granted therefor or if statutory restrictions or mandates are eliminated and discretion vested in the Borough.

12.3 SEVERABILITY

In the event that any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of this Borough Council that such remainder shall be and shall remain in full force and effect.

12.4 SAVING CLAUSE

The passage of this ordinance and the repeal by it of any prior enabling ordinances relating to the establishment and regulation of a Police Employees' Pension Plan or a Police Pension Plan of the Borough of Coaldale, Schuylkill County, Pennsylvania, shall not invalidate the Police Pension Fund Committee of the Borough created under such ordinance nor shall it invalidate any actions of said Committee taken under such ordinance. This ordinance, in such respect, shall be deemed a continuation and codification of such prior enabling ordinances.

12.6. CODIFICATION

This Ordinance represents a codification of the Ordinances of the Borough of Coaldale relating to Police Employees' Pension Plans or Police Pension Funds and may be advertised as such.

ENACTED AND ORDAINED THIS 17th day of October,

1986.

BOROUGH OF COALDALE

BY: Mick Tarras
President of Council

ATTESTED:

Lyle Augustine J.
Borough Secretary

(Corporate Seal)

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