

ORDINANCE NO. 90

ESTABLISHING BY DECLARATION, THE POLICE PENSION PLAN OF THE BOROUGH OF MONROEVILLE AND PROVIDING FOR THE EXECUTION OF SUCH DECLARATION.

The Burgess and Council of the Borough of Monroeville ordain and enact as follows:

SECTION 1. In order to properly establish the Police Pension Plan of the Borough of Monroeville a Declaration in the following form is hereby made and the proper officers are hereby authorized and directed to execute the same on behalf of the Borough of Monroeville.

SECTION 2. The declaration is as follows:

DECLARATION OF POLICE PENSION PLAN

of the

BOROUGH OF MONROEVILLE

BE IT KNOWN THAT the Borough of Monroeville, hereinafter called the "Borough", by appropriate action of the Borough Council, has adopted a Police Pension Plan for the exclusive benefit of regularly employed police officers of the Borough who shall participate therein, in accordance with the terms and conditions hereinafter set forth:

ARTICLE I

The Plan set forth in these Articles is designated the Police Pension Plan of the Borough of Monroeville. In the following Articles it is referred to simply as the "Plan". The effective date of the Plan shall be the _____ day of _____, A. D. 195_____.

ARTICLE II

ADMINISTRATIVE COMMITTEE

The operation of the Plan shall be supervised by a committee to be known as the Pension Trust Committee, which is hereinafter referred to simply as the

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"Committee". The Borough Council shall appoint the original members of the Committee which shall consist of three (3) persons, one (1) of whom shall be a police officer selected by the police officers of the Borough, one (1) of whom shall be a member of the Council of the Borough, to be selected by the Council of the Borough, and one (1) of whom shall be an individual acceptable to both the police officers and the members of the Council of the Borough and who shall be appointed by the President of the Council of the Borough. All members of the Committee shall serve for a period of two (2) years unless they shall have been reappointed for a successive term or terms by the bodies empowered to make such selection. Notwithstanding the foregoing, each member shall serve until his successor is appointed and qualified as a member of such Committee. The said Committee shall have full power and authority to construe the Plan and to decide any questions which may arise thereunder and the Trustee is fully authorized and empowered to act under the proper authorization of such Committee. The Committee shall coordinate its activities with the Insurance Agent of record appointed by the Borough, and with the Trustee.

The Committee shall act by a majority of its members. A writing signed by two members of the Committee may take the place of action at a meeting of the Committee. The Committee may make its own rules for the time and place of meetings and for the transaction of the business of the Committee.

The Committee shall keep such records as shall be necessary for the determination of the status of each Participant and the presumptive share of each Participant in the trust fund as determined by the actuary.

The Committee shall keep on file a copy of this Declaration and copies of all amendments thereto and a copy of the Agreement with the Trustee for the implementation of the Plan and copies of all amendments thereto. Said copies shall be available for examination by any Participant.

The Committee shall have the authority and shall be charged with the per-

formance of the duties set forth in this Declaration. Moreover, the Committee, by general rule or special decision, may determine any question arising under this Declaration for the determination of which the provisions of this Declaration are otherwise insufficient.

The Trustee may rely on any written instructions or representations concurred in by any two members of the Committee as being the instructions or representations of the Committee and as being within the scope of the authority of the Committee.

ARTICLE III

DEFINITIONS

1. "Insurance age" is the age of a person for the purpose of premium rating under insurance company practice.
2. "Anniversary date" is the anniversary of the premium date of the first group of policies and contracts procured under this Agreement.
3. "Policy" includes any form of life insurance policy requiring evidence of insurability at issue.
4. "Contract" includes any form of annuity contract not requiring evidence of insurability at issue.
5. "Retirement age" is the time when a participating employee attains the age of sixty (60) years, having served a minimum period of not less than an aggregate of twenty-five (25) years in the employ of the Borough, or the time after his attaining the age of sixty (60) years when he has served a minimum period of not less than an aggregate of twenty-five (25) years.
6. "Participating Employee" or "Participant" is an employee who has met the eligibility requirements to participate in the trust as herein provided, and who has not reached his normal retirement date, service and age.
7. A participating employee is deemed to be "insurable" if he is classified by the insurance company to which an application is made for a policy of

life insurance on his life as an acceptable risk with a mortality rating not exceeding one hundred fifty per centum (150%) of standard rates, excepting for any rating resulting from occupational hazard.

8. A participating employee is deemed to be "uninsurable" if the insurance company to which application is made for a policy of life insurance upon his life refuses to issue a policy with a mortality rating of not in excess of one hundred fifty per centum (150%).

9. "Beneficiary" refers to the person, trust, or other entity designated by the participating employee to receive the death benefits under any policy or contract.

10. "The trust" includes all money, property, investments, policies, and contracts standing in the name of the Trustee in accordance with the terms of this instrument.

11. "The Trustee" is the Trustee who may be at any time acting hereunder.

12. "The fund" is the cash accumulated by the Borough in accordance with the provisions of the Plan.

Words used in this instrument in the singular shall include the plural, and the masculine shall include the feminine, where appropriate.

ARTICLE IV

POLICEMEN ENTITLED TO PARTICIPATE

1. All persons employed as full time regular police officers of the Police Department of the Borough of Monroeville shall participate hereunder.

2. Any new employee of the Police Department of the Borough of Monroeville, during his probationary period of service, shall not be entitled to participate in the insurance program under this Plan, and during this period, his contributions, as hereinafter provided, shall be held in a separate fund by the Borough until he is appointed to the regular force of the Borough. At the time such

policeman is appointed to the regular police force of the Borough, such separate contributions made by him shall then be transferred to the regular fund in the hands of the Borough.

3. When any newly appointed policeman is appointed to the regular police force of the Borough of Monroeville, having completed his probationary period of service, he shall be covered with preliminary term insurance until the anniversary date as herein specified, at which time he shall participate in the regular full life insurance program of the Police Pension Plan.

4. The Committee shall furnish the Trustee with a list showing all employees eligible to participate in the trust at the effective date of this Agreement and their dates of birth and, in each succeeding year during the continuance of the trust shall, not less than sixty (60) days prior to the anniversary date, furnish the Trustee with a similar list of all employees who will become eligible to participate in the trust on the next anniversary date, with instructions as to the amount of premium or premiums to be paid on policies or contracts on the lives of such participants.

ARTICLE V

PAYMENT OF FUNDS TO THE TRUSTEE

1. Since positions covered by the fund are included in an Agreement under the Federal Social Security Act, Participants shall pay into the fund, monthly, an amount equal to two per centum (2%) of that portion of monthly compensation on which social security allowances are payable, and five per centum (5%) of any monthly compensation in excess of that on which social security allowances are payable. The remainder of the needed annual contribution, as determined by the actuary, shall become the obligation of the Borough of Monroeville, and shall be paid by it to the Trustee of the Police Pension Fund by annual appropriations.

2. The payments made by the State Treasurer to the Treasurer of the Bor-

ough of Monroeville from the moneys received from taxes paid upon premiums by foreign casualty insurance companies for purposes of pension retirement or disability benefits for policemen shall be used as follows:

- (1) To reduce the unfunded liability or, after such liability has been funded,
- (2) To apply against the annual obligation of the Borough of Monroeville for future service cost, or, to the extent that the payment may be in excess of such obligation,
- (3) To reduce member contributions.

Unless otherwise specifically provided by amendment to this Plan, any moneys paid into the Fund shall be applied equally against the member and the municipal portions of the future service cost.

The Borough shall apply such payments in accordance with the foregoing provisions.

3. The Trustee, at the direction of the Committee, shall purchase from a legal reserve life insurance company or companies with such portion of the contributions as may be necessary for that purpose, such contracts or policies of insurance on the lives of the Participants as may be determined by the actuary to provide the scheduled benefits under the Plan. The Trustee shall accept for investment such additional contributions as the actuary may determine in order to provide pensions for the Participants as required under Act of May 29, 1956, P.L. - 1804 (No. 600) and any amendments and supplements thereto. The said contracts and policies of insurance and all other funds delivered to the Trustee shall be held by the Trustee subject to the terms and provisions of the Plan.

4. There is attached hereto, made a part hereof, and marked Exhibit "A", a schedule showing the policies or contracts of insurance on the lives of the police officers of the said Borough who are eligible to participate hereunder as of the date of this Plan.

5. Any contracts or policies entered into for the benefit of additional employees or participants, shall comply with the terms of this Plan, and shall be approved by the Committee.

ARTICLE VI

PARTICIPANTS' BENEFITS

1. Monthly pension or retirement benefits shall be one-half (1/2) the monthly average salary of such participant during the last sixty (60) months of his employment, such pension or retirement benefits for any month shall be computed as the sum of:

(1) Any pension benefits from pension plans heretofore established by a private organization or association for the members of the police force of the Borough of Monroeville,

(2) Primary benefits under Federal Social Security laws for which the officer may be eligible because of age, and

(3) Benefits from the Police Pension Trust being administered by the Trustee under this Plan, pursuant to law, to the extent necessary to bring the total benefits in any month up to one-half (1/2) the aforesaid monthly average salary, as determined by the actuary.

2. The death benefit for each Participant under his life insurance policy shall be Fifteen Thousand Dollars (\$15,000.00), with the exception that, in the case of the Chief of Police, the amount thereof shall be Twenty Thousand Dollars (\$20,000.00). Such death benefit insurance coverage shall continue until the employee member attains the age of sixty-five (65) years, except in the event of his prior death.

3. Any participating member of the police force of the Borough of Monroeville, who, for any reason whatsoever, shall be ineligible to receive a pension after having contributed to this fund, established pursuant to law, shall be entitled to a refund of all such moneys paid by him into such fund immediately

upon discontinuance of his employment with the police force. If such discontinuance is due to death, such moneys shall be paid to his designated beneficiary, or, in the absence thereof, to his estate at the written direction of the Pension Trust Committee. Any such refund shall be paid by the Trustee out of the trust exclusive of any policy of life insurance on the life of the ineligible employee. The life insurance policy on the life of the ineligible employee may be taken as a paid up policy or may be surrendered for its cash value, for the benefit of the trust, as directed by the Committee. In the event any participating member of the police force of the Borough shall become ineligible to receive pension benefits hereunder, he shall not be eligible to receive any portion of the funds held for investment by the Trustee hereunder, except for the refund of his contributions as hereinabove provided, and all such invested funds shall remain in the hands of the Trustee for the benefit of the Trust.

4. The actuary shall be the legal reserve life insurance company selected by the Committee. It shall be the duty of the actuary to advise the Committee of the amount or amounts required to be deposited with the Trustee in order to provide not only the funds required for the payment of premiums on any policies or contracts on the lives of the Participants, but also the amounts required to be deposited with the Trustee for investment in order to fund the benefits of the Participants in accordance with the provisions of the Plan. The Trustee shall furnish the Committee with annual statements as to the amount and value of the investments held by the Trustee. The Trustee's annual statement shall be made available to the actuary by the Pension Trust Committee.

5. When any Participant shall become eligible to receive his monthly pension benefit, the Committee shall direct the Trustee to deliver to the appropriate insurance company or companies the policy or policies of insurance on the life of such Participant at such time and with such endorsements as the Committee may direct, together with such amount from the investment fund in the hands of the Trustee as the actuary shall determine to be necessary to fund the

monthly pension benefit for such eligible Participant. The Trustee shall have no responsibility or liability for determining the accuracy or adequacy of such actuary's computation and shall act only as directed by the Pension Trust Committee. The monthly pension benefits shall be paid to the retired Participant by the appropriate insurance company or companies.

ARTICLE VII

AMENDMENT OR TERMINATION

The Borough, by appropriate action of the Borough Council, may amend the Plan subject to the following restrictions:

1. The Borough Council shall have the right to alter and amend the said Agreement; provided however, that in no event shall any such alterations or amendments in any manner adversely affect the rights of the Participants under the trust, nor permit any part of the corpus or income of the trust to be used for, or diverted to, purposes other than the exclusive benefit of the Participants at any time prior to the satisfaction of all liabilities with respect to the Participants; nor shall the said Borough Council have the right to amend the trust in any manner which may increase the duties or responsibility of the Trustee without the consent of the Trustee.

2. The Borough shall have the right to terminate the Trust at any time.

ARTICLE VIII

EXPENSES

The expenses incident to the maintenance of the Plan and the administration of the trust are to be paid by the Borough. However, in the event of the failure of the Borough to make payment, such expenses may be paid out of the trust fund.

ARTICLE IX

MISCELLANEOUS

The Participants hereunder shall have no right to anticipate, to pledge, or in any manner to alienate their interests in the income arising from or in the principal of the trust fund, and, their interests shall not be liable for their debts, contracts, or engagements, or subject to execution, attachment, sequestration, or other legal process.

The adoption of this Declaration and of the Plan embodied therein shall not give any Participant any right to continued employment or any right to examine the books and records of the Borough.

ARTICLE X

THE TRUSTEE

For the implementation of the Plan set forth in this Declaration, the Borough will enter into an appropriate trust agreement in such form and containing such provisions as, in the opinion of the Borough, shall be necessary or convenient for the accomplishment of the purposes of the Plan.

ARTICLE XII

AUTHENTICATION

To authenticate and record the adoption of this Declaration the signatures of the appropriate officers of the Borough are affixed this _____ day of _____, A. D. 195____.

By _____

ATTEST:

Secretary

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SECTION 3. That any ordinance or part of an ordinance that conflicts with the provisions of this ordinance, be and the same are hereby repealed.

Ordained and enacted into law this 6th day of May, 1957.

ATTEST:

BOROUGH OF MONROEVILLE

S/ Gladys Diller
Borough Secretary

S/ Edgar Giles
President of Council

Examined and approved by me this day of May, 1957.

Burgess