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PART 1

CREATION OF OFFICE OF TOWNSHIP MANAGER

§1-101. Creation of Office.

The Office of Township Manager is hereby created by the Board of Supervisors of New Britain Township, subject to the right of the Board of Supervisors of New Britain Township, by ordinance at any time to abolish such office.

(Ord. 81-10-01, 10/26/1981, §1)

§1-102. Appointment and Removal.

The Board of Supervisors of New Britain Township shall elect, by a majority vote of all of its members, one person to fill the Office of Township Manager, who shall serve until his successor is elected and qualifies. In the case of a vacancy, the Board of Supervisors shall fill said office by a majority vote of all its members. The Township Manager shall, however, be subject to removal at any time by a majority vote of all the members of the Board of Supervisors.

(Ord. 81-10-01, 10/26/1981, §2)

§1-103. Bond.

Before entering upon his duties, the Township Manager shall give a bond to the Township of New Britain, with a corporate surety, in the sum of \$1,000,000, conditioned for the faithful performance of his duties; premium for the said bond to be paid for by the Township of New Britain. The bond of the Township Manager may be included in and the Manager may be bonded under the blanket bond now in effect for all Township employees, or as Secretary Treasurer, if applicable.

(Ord. 81-10-01, 10/26/1981, §3; as amended by Ord. 2007-02-01, 2/12/2007)

§1-104. General Authority.

The Township Manager shall be the chief administrative officer in the Township and he shall be responsible to the Board of Supervisors for the proper and efficient administration of all of the affairs of the Township. All department heads, including police and road departments, shall report to and take direction from, the Township Manager.

(Ord. 81-10-01, 10/26/1981, §5)

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§1-105. Specific Powers and Duties.

The powers and duties of the Township Manager shall include the following:

- A. He shall attend all meetings of the Board of Supervisors, with the right to take part in the discussion and he shall receive notice of all special meetings of the Board of Supervisors and of its committees.
- B. He shall prepare the agenda for each meeting of the Board of Supervisors and supply facts pertinent thereto.
- C. He shall keep the Board of Supervisors informed as to the conduct of Township affairs in connection with his duties as Township Manager and shall submit such other reports as the Board of Supervisors shall request. He shall make such recommendations to the Board of Supervisors as necessary.
- D. He shall submit to the Board of Supervisors, as soon as possible after the close of the fiscal year, a complete report for the preceding year on the administrative activities of the Township of New Britain which are within the duties of the Township Manager.
- E. He shall attend to the letting of contracts in connection with the duties assigned to him and he shall supervise the performance and execution of the same, except insofar as such duties are expressly imposed upon some other Township officer by statute or ordinance.
- F. He shall cooperate with the Board of Supervisors at all times and in all matters that the best interest of the Township of New Britain and of the general public may be maintained.
- G. All complaints regarding services or personnel of municipal departments shall be referred to him. He shall investigate and make a report thereon to the Board of Supervisors.
- H. He shall be responsible for the preparation of the annual Township budget.
- I. He shall be responsible for the proper staffing of Township departments and to that end, shall arrange for employee selection and shall make recommendations on hiring to the Supervisors.
- J. He shall have the power to terminate any Township employee subject to confirmation by the Board of Supervisors and further subject to any law or ordinance.

(Ord. 81-10-01, 10/26/1981, §6)

§1-106. Disability or Absence of the Manager.

In the case of illness or the absence of the Manager from the Township, the Board of Supervisors shall delegate one qualified member of the Township staff who shall perform the duties of the Manager during his absence or disability.

(Ord. 81-10-01, 10/26/1981, §7)

PART 2

COMPENSATION OF MEMBERS OF THE BOARD OF SUPERVISORS

§1-201. Compensation.

The compensation of members of the Board of Supervisors who take office after January 1, 2002, shall be \$3,250 annually in accordance with §606 of the Second Class Township Code, 53 P.S. §65606, for Townships with a population between 10,000 and 14,999.

(Ord. 01-11-02, 11/12/2001, §1)

PART 3

BOARDS, COMMISSIONS AND COMMITTEES

A. Planning Commission.

§1-301. Creation of Planning Commission.

A Township Planning Commission, to be composed of seven members, appointed as provided in §202 of the Pennsylvania Municipalities Planning Code (53 P.S. §10202), is hereby created in and for the Township of New Britain. The Planning Commission shall perform all duties and may exercise all powers conferred by law upon Township planning agencies; provided, the Planning Commission previously created in and for the said Township shall constitute the tenure of any of the members thereof, but any and all vacancies in the said Commission hereafter occurring shall be filled in the manner provided in the law governing Township planning commissions in effect at the time of the happening of the said vacancy. The term of each of the members of the commission shall be for four years, or until his successor is appointed and qualified, except that the terms of the members first appointed pursuant to §202 of the Municipalities Planning Code shall be so fixed that on commissions of eight members or less no more than two shall be reappointed or replaced during any future calendar year.

(Ord. 2007-02-01, 2/12/2007)

PART 4

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

§1-401. Joint Authority.

It is the joint desire and intention of the municipal authorities of the Township of New Britain and the Borough of Chalfont, both municipalities of the Commonwealth of Pennsylvania, and both situated in Bucks County, to organize an Authority under the "Municipality Authorities Act of 1945," designated as Act No. 164, approved May 2, 1945, P.L. 382, together with all supplements thereof and amendments thereto, for the purpose of exercising and enjoying all the powers of the Act, its supplements or amendments.

(Ord. 65, 2/7/1962, §1)

§1-402. Name of Authority.

The name of the proposed Authority is "Chalfont-New Britain Township Joint Sewage Authority."

(Ord. 65, 2/7/1962, §2)

§1-403. Articles of Incorporation.¹

The proposed Articles of Incorporation of the Authority are as follows:

ARTICLES OF INCORPORATION

TO THE SECRETARY OF THE COMMONWEALTH OF PENNSYLVANIA

In compliance with the Municipality Authorities Act of 1945, P.L. 382, its supplements and amendments, the Township of New Britain and the Borough of Chalfont, both situated in Bucks County and both municipalities of the Commonwealth of Pennsylvania, pursuant to identical ordinances only adopted by the respective Municipal Authorities of both municipalities, signifying their joint desire and intention to form an Authority, hereby certify:

1. The name of the Authority shall be: "Chalfont-New Britain Township Joint Sewage Authority."

¹ Editor's Note: Pursuant to Res. 2008-06, adopted 5/15/2008, the Board of Supervisors adopted an amendment to the Articles of Incorporation to extend the existence of the Authority for an additional term not to exceed 50 years.

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2. This Authority is formed under the Municipality Authorities Act of 1945, its supplements and amendments.
3. No other Authority organized under the Municipality Authorities Act of 1945, its supplements and amendments or under the Act approved June 28, 1935, P.L. 463, as amended, is in existence in or for the incorporating municipalities named herein, except the Central Bucks Sanitary Landfill Authority which is a joint Authority, organized under the Municipality Authorities Act of 1945, of which the Borough of Chalfont, as well as the Borough of New Britain, Doylestown Township, Doylestown Borough, Buckingham Township and Warwick Township are members.
4. Said Authority is organized for the purpose of acquiring, holding, constructing, improving, maintaining and operating, owning, leasing, either in the capacity of lessor or lessee, sewers, sewer systems or parts thereof, sewerage treatment works, including works for treating and disposing of industrial waste and related facilities.
5. The respective names of the incorporating municipalities are:

The Township of New Britain and The Borough of Chalfont
6. The names and addresses of the Board of Supervisors of New Britain Township, such persons being the Municipal Authorities of the Municipality are as follows:
[Here followed the names and addresses of the Board of Supervisors.]

The name and address of the Mayor and members of Council of the Borough of Chalfont, such persons being the Municipal Authorities of the Municipality are as follows: [Here followed the name and address of the Mayor and members of Council.]
7. The names, addresses and terms of office of the first members of the Board of said Authority are: [Here followed the names, addresses and terms of office of the first members of the Board.]

(Ord. 65, 2/7/1962, §3)

§1-404. Appointment of Board.

The following persons, respectively hereinafter designated as appointees of either the Township of New Britain or the Borough of Chalfont, are hereby appointed members of the Board of the Authority, with the following terms of office: [Here followed the names of the appointees to the Board of the Authority.]

(Ord. 65, 2/7/1962, §4)

§1-405. Purpose.

The Authority is organized for the purpose of acquiring, holding, constructing, improving, maintaining and operating, owning, leasing, either in the capacity of lessor or lessee, sewers, sewer systems or parts thereof, sewerage treatment works, including works for treating and disposing of industrial waste and related facilities.

(Ord. 65, 2/7/1962, §5)

§1-406. Execution of Articles of Incorporation.

The Articles of Incorporation of the Authority, in substantially the form set forth in §1-403 of this Part, shall be executed on behalf of the Township of New Britain by the members of the Board of Supervisors and under its municipal seal, attested by the Secretary of the Board of Supervisors of the Township of New Britain and on behalf of the Borough of Chalfont, by the President of Council and Mayor of the Borough of Chalfont and under its municipal seal, attested by the Secretary of the Borough and such officers are hereby authorized, empowered and directed to do all things necessary and appropriate to effect and establish the said Authority, in conformity with the "Municipality Authorities Act of 1945," its supplements and amendments.

(Ord. 65, 2/7/1962, §6)

§1-407. General Welfare.

The adoption of this Part is deemed necessary for the benefit and preservation of the public health, peace, comfort and general welfare and will increase the prosperity of the people of the Township of New Britain and the Borough of Chalfont.

(Ord. 65, 2/7/1962, §7)

PART 5

POLICY STATEMENTS

A. Collection and Reimbursement of the Costs of Industrial Accidents.

§1-501. Definitions.

BUSINESS — any person or persons, corporation, partnership or other entity engaged in the buying, selling, storing, transferring, transporting and/or manufacturing of properties, merchandise, chemicals or other fuels, goods and who do so for any form of compensation.

INDUSTRIAL ACCIDENT — any incident that occurs from the storage, transportation, use and/or manufacturing of any substance potentially dangerous to the public health and welfare at large that necessitates:

- A. The intervention of the New Britain Township Police Department or any of the emergency agencies or services which may service New Britain Township including, but not limited to, fire companies or rescue squads operating in New Britain Township or the New Britain Township Emergency Management Organization.
- B. The need for clean-up and/or abatement measures to be performed by Township employees or other matters resulting in expense to the Township.

PUBLIC THOROUGHFARE — bridges, State highways, Township streets, any navigable waterways or other roadways or watercourses owned by a governmental unit or other privately owned street, parking lot or accessway to which the public has access.

(Ord. 2007-02-01, 2/12/2007)

§1-502. Cost of Industrial Accidents.

- 1. The business on whose premises an industrial accident occurs shall bear all costs which occur as a direct or consequential result of such industrial accident. In the event an industrial accident occurs during transportation on a public thoroughfare or in delivery to an entity other than a business as defined in §1-501 hereinabove, the entity who owns or has custody and/or control of the vehicle, or substance involved, in the industrial accident shall bear all costs that occur as a direct or consequential result of such accident. Nothing contained herein shall prevent such business or entity from recovering any costs from a third party whose negligence may have caused such industrial accident.

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2. In the event that any person undertakes, either voluntarily or upon order of the New Britain Township Emergency Management Organization or other Township official to clean-up or abate the effects of any industrial accident, the New Britain Township Emergency Management Organization may take such action as is necessary to supervise or verify the adequacy of the clean-up or abatement. The business or entity described in subsection (1) hereinabove shall be liable to the Township for all costs incurred as a result of such supervision or verification.
3. For the purpose of this Part, costs of an industrial accident shall include, but are not limited to, the following:
 - A. Expenses incurred by police, fire and/or emergency medical services.
 - B. Actual labor costs of New Britain Township personnel, including benefits and administrative overhead.
 - C. Costs of consultants or others preparing reports concerning the industrial accident.
 - D. Costs of equipment operations.
 - E. Costs of materials obtained directly by the Township.
 - F. Cost of any contractual labor and materials for clean-up and/or abatement.
 - G. Costs of the Township Solicitor and Township Engineer connected with the industrial accident.
4. The costs of such industrial accident as set forth in subsection (3) hereinabove shall be determined by the Township Supervisors.
5. Such costs for all emergency services rendered shall be paid directly to the Township within 30 days from the date on which the Township issues an invoice for such charges.

(Ord. 2007-02-01, 2/12/2007)

§1-503. Penalties.

Any person, partnership or corporation who or which has violated or permitted the violation of the provisions of this Part shall, upon being found liable therefor in a civil enforcement proceeding commenced by the Township, pay a judgment of not more than \$600 plus all court costs, including reasonable attorneys fees incurred by the Township as a result thereof. Each day that a violation continues shall constitute a separate violation.

(Ord. 2007-02-01, 2/12/2007)

B. Open Records Policy.

§1-511. Information Request Form.

A requester of records shall complete an information request form provided by the Office of Open Records and/or the Township and shall identify the requested records with sufficient specificity.

(Res. 2008-13, 11/3/2008)

§1-512. Open Records Officer.

The Township hereby designates the Township Manager or Assistant Manager or Secretary or Assistant Secretary as the Open Records Officer in accordance with the Pennsylvania Right-to-Know Law; and said Open Records Officer shall receive requests submitted to the Township under the Right-to-Know Law, direct requests to other appropriate persons within the Township or to appropriate persons in another agency, track the Township's progress in responding to requests, and issue interim and final responses.

(Res. 2008-13, 11/3/2008)

§1-513. Access Requests.

If a requested record contains both public record information as well as non-public-record information, the Township may redact the non-public-record information from the record.

(Res. 2008-13, 11/3/2008)

§1-514. Access; Time for Response; Exceptions.

1. Upon receipt of a written request for access to a public record, the Township shall make a good-faith effort to respond as promptly as possible under the circumstances existing at the time of the request.
2. The response shall not exceed five business days from the date of the written request. The failure of the Township to respond in the designated time frame shall be deemed a denial of the request unless one of the following exceptions applies:
 - A. The request requires the redaction of information within a public record;
 - B. The request requires the retrieval of the document from a remote location;

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- C. A timely response cannot be accomplished due to legitimate staffing limitations;
 - D. A legal review is necessary;
 - E. The requester did not comply with the Township's policies regarding public access;
 - F. The requester refuses to pay fees; or
 - G. The extent or nature of the request precludes a response within the required time period.
3. In the event of one or more of the above exceptions, the Township shall send written notice to the requester within five business days of the request stating that the request is being reviewed, the reason for review and the exception that applies, the expected response date, and an estimate of applicable fees owed when the record becomes available. If a response is expected more than 30 days after the five-day period, the request is deemed denied unless otherwise agreed to by the requester in writing.

(Res. 2008-13, 11/3/2008)

§1-515. Denial of Access.

If the request is denied, the following must be included with the denial:

- A. A description of the record requested;
- B. The specific reasons for the denial, including a citation of supporting legal authority;
- C. The typed or printed name, title, business address, business telephone number and signature of the Open Records Officer on whose authority the denial was issued;
- D. The date of the response; and
- E. The appeal procedure.

(Res. 2008-13, 11/3/2008)

§1-516. Appeal Procedure.

If the request is denied or deemed denied, the requester may file an appeal with the Office of Open Records or judicial, legislative or other appeals officer designated under the

Pennsylvania Right-to-Know Law within 15 business days of the mailing date of the Township's response or deemed denial. The appeal shall proceed in accordance with the Pennsylvania Right-to-Know Act. The appeal shall state the grounds upon which the requester asserts that the record is a public record and shall address any grounds stated by the Township for denying or delaying the request.

(Res. 2008-13, 11/3/2008)

§1-517. Fee Schedule.

The fee schedule for information and/or record requests shall be set forth in the Township's current Fee Resolution, as amended.²

(Res. 2008-13, 11/3/2008)

² Editor's Note: The current Fee Schedule is on file in the Township offices.

C. Municipal Claims.

§1-521. Establishment of Attorneys Fees.

Any property owner in the Township who has not paid promptly any municipal charge owing to the Township for which the property becomes charged or assessed pursuant to the Municipal Claims Act, 53 P.S. §7101 et seq., shall also include an amount sufficient to compensate the Township for its reasonable attorney fees incurred in the collection of such delinquent charges in accordance with the Township's schedule of attorneys fees attached hereto and incorporated herein as Appendix A.

(Ord. 2011-07-01, 7/18/2011, Art. D)

§1-522. Notice Requirement.

At least 30 days prior to assessing or imposing attorneys fees in connection with the collection of a delinquent account, including municipal liens, the Township shall, by United States Certified Mail, Return Receipt Requested, postage prepaid, mail to the owner of the property being so assessed, a notice that includes the following:

- A. A statement of the Township's intent to impose or assess attorney fees within 30 days of mailing the notice.
- B. The manner in which the imposition or assessment of attorney fees may be avoided by payment of the delinquent account.

(Ord. 2011-07-01, 7/18/2011, Art. D)

§1-523. Establishment of Interest Rate.

Pursuant to the authority set forth in the Municipal Claims Act, 53 P.S. 7101 et seq., the Township hereby establishes an interest rate of 10% per annum assessable against all municipal claims from the date of the completion of the work after it is filed as a lien, and on claims for taxes, water rents or rates, lighting rates, or sewer rates from the date of the filing of the lien therefore. The interest collectible on any municipal claim arising out of a municipal project for which the Township issued bonds to finance, however, shall be the rate of interest of the bond issue for the project or 12% per annum, whichever is less.

(Ord. 2011-07-01, 7/18/2011, Art. D)

Appendix A

Schedule of Fees

New Britain Township hereby approves the following schedule of attorney fees for services in connection with the collection of accounts, which is hereby determined to be fair and reasonable compensation for the services set forth below, all in accordance with the principals set forth in the Municipal Claims Act, 53 P.S. §7101 et seq.

Legal Services	Fee for Services
Filing of lien	\$150
Title Search	\$250
Preparation and Service of Writ of Scire Facias	\$400
Required additional notice and presentation of related motions regarding Federal tax liens, judgments, and mortgages	\$150
Alternative service of legal pleadings	\$250
Entry of Judgment	\$150
Preparation of Writ of Execution and attendance at initial Sheriffs Sale	\$750
Preparation of documents for and attendance at each subsequent Sheriffs Sale	\$600
Review schedule of distribution and resolve distribution issues	\$250
Installment payment agreement at taxpayer's request	\$100
Services not covered above	attorneys - \$130/hr. paralegals - \$75/hr. law clerks - \$50/hr.

There shall be added to the above amounts the reasonable out-of-pocket expenses of counsel in connection with each of these services, including Sheriffs and Prothonotary's costs. The amount of fees determined as set forth above shall be added to the Township's claim in each account.

feit his/her right to receive a pension, including any amounts currently deposited in the DROP participant account. In such case, the police officer shall only be entitled to receive the contributions, if any, made by the police officer to the fund, without interest.

- C. Effect of Provisions. A police officer's election to participate in the DROP program shall in no way be construed as a limitation on the Township's right to suspend or to terminate a police officer for just cause or to grant the police officer an honorable discharge based upon a physical or mental inability to perform his/her duties.
- D. Change in Law. In the event that the DROP provision is declared invalid or illegal by a court of competent jurisdiction or through an administrative determination of the Office of the Auditor General, the police officers shall have the right to bargain in accordance with Act 111 over the impact of the deletion of this benefit, but not the decision to delete the benefit itself. It is expressly understood that any such bargaining shall not involve bargaining over a replacement provision.

(Added by Ord. 2006-06-01, 6/12/2006; and as amended by Ord. 2010-09-01, 9/13/2010, §II)

B. Non-Uniformed Employees Pension Plan.

§1-721. Definitions.

The following words and phrases as used in this subpart shall have the meanings set forth in this Section, unless a different meaning is otherwise clearly required by the context:

ACCRUED BENEFIT—as of any given date, the benefit determined under §1724(2), which amount shall be based upon the participant's credited service determined as of such computation date and which shall represent the monthly benefit which would be payable in the normal form as of the participant's attainment of normal retirement age. Notwithstanding anything contained herein to the contrary, in no event shall credited service exceed 40 years. The accrued benefit shall not exceed the maximum limitation, determined as of the date of computation provided under §1-724(6). All accrued benefits are subject to all applicable limitations, reductions, offsets and actuarial adjustments provided pursuant to the terms of the Plan prior to the actual payment thereof.

ACCUMULATED CONTRIBUTIONS—the total amount contributed by a participant to this Plan or its predecessor by way of payroll deduction or otherwise, plus simple interest credited at the rate of 6% per annum, from the mid-point of the Plan year when paid into the pension fund until the first day of the month in which a distribution of accumulated contributions occurs or the payment of retirement benefits commences.

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ACT—the Municipal Pension Plan Funding Standard and Recovery Act which was enacted as Act 205 of 1984, as amended, 53 P.S. §895.101 et seq.

ACTUARIAL EQUIVALENT—two forms of payment of equal actuarial present value on a specified date. The actuarial present value shall be determined by use of the UP-1984 Mortality Table and 7% interest unless otherwise specifically provided herein.

ACTUARY—the person, partnership, association or corporation which at any given time is serving as actuary; provided, that such actuary must be an “approved actuary” as defined in the Act.

ANNIVERSARY DATE—January 1 of a given plan year.

AUTHORIZED LEAVE OF ABSENCE—any leave of absence granted, in writing, by the employer for reasons including, but not limited to, accident, sickness, pregnancy or temporary disability, education, training, jury duty or such other reasons as may necessitate authorized leave from active employment.

BENEFICIARY—the person or entity designated, in writing, by the participant to receive any benefits which may be due should the participant die prior to becoming entitled to a retirement benefit. In the event that a participant does not designate a beneficiary or the beneficiary does not survive the participant, the beneficiary shall be the surviving spouse, or if there is no surviving spouse, the issue per stirpes, or if there is no surviving issue, the estate; but if no personal representative has been appointed, to those persons who would be entitled to the estate under the intestacy laws of the Commonwealth of Pennsylvania if the participant had died intestate and a resident of Pennsylvania.

BOARD—the Board of Supervisors of the Township of New Britain.

CHIEF ADMINISTRATIVE OFFICER—the person designated by the Township who has the primary responsibility for the execution of the administrative affairs for the Plan.

CODE—the Internal Revenue Code of 1986, as amended.

COMMITTEE—the Board of Trustees Committee as determined pursuant to §1-729(2).

COMMONWEALTH—the Commonwealth of Pennsylvania.

COMPENSATION—the total salary or wages actually paid to an employee by the employer for active services rendered in employment as reported on Internal Revenue Service Form W-2 and shall exclude extra or additional forms of remuneration including, but not necessarily limited to, amounts paid as allowance or reimbursement for expenses or payments made to an employee welfare or benefit

PART 6

FIRE LOSS INSURANCE CLAIMS

§1-601. Use of Fire Insurance Proceeds.

1. No insurance company, association or exchange (hereinafter “insurer”) doing business in the Commonwealth of Pennsylvania shall pay a claim of a named insured for fire damage to a structure located within the Township where the amount recoverable for the fire loss to the structure under all policies exceed \$7,500, unless the insurer is furnished by the Township Treasurer with a certificate pursuant to §508(b) of the Insurance Company Law of 1921, (40 P.S. §638) (the “Act”) and unless there is compliance with the procedures set forth in §508(c) and (d) of the Act.
2. Where there are delinquent taxes, assessments, penalties or user charges against the property (“municipal claims”), or there are expenses which the Township has incurred as a cost for the removal, repair or securing of a building or other structure on the property (collectively “municipal expenses”), the Township Treasurer shall immediately render a bill for such work, if he has not already done so. Upon written request of the named insured specifying the tax description of the property, the name and address of the insurer and the date of receipt by the insurer of a loss report of the claim, the Treasurer shall furnish a certificate within 14 working days after the request, to the insurer, a certificate (or at his discretion an oral notice confirmed in writing) either:
 - A. Stating there are no unpaid municipal claims or municipal expenses against the property.
 - B. Specifying the nature and amount of such claims or expenses, accompanied by a bill for such amounts.
 - C. Taxes, assessments, penalties and user charges shall be deemed delinquent for this purpose if a lien could have been filed for such claims under applicable law. Upon receipt of a certificate and bill pursuant to subsection (A) of this Section, the insurer shall transfer to the Treasurer an amount from the insurance proceeds sufficient to pay such sums prior to making payment to the named insured, subject to the provisions of subsection (3) hereof.
3. When all municipal claims and municipal expenses have been paid pursuant to subsection (2) of this Section, or where the Treasurer has issued a certificate described in subsection (2)(A) indicating there are no municipal claims or municipal expenses against the property, the insurer shall pay the claim of the named insured; provided, however, that if the loss agreed upon by the named insured and the insurer equals or exceeds 60% of the aggregate limits of liability on all fire policies covering the building or structure, the following procedures must be followed:

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- A. The insurer shall transfer from the insurance proceeds to the Treasurer, in the aggregate, \$2,000 for each \$15,000 of such claim, or fraction thereof.
- B. If at the time a loss report is submitted by the insured, such insured has submitted to the insurer, with a copy to the Township, a contractor's signed estimate of the cost of removing, repairing or securing the building or other structure in an amount less than the amount calculated under the foregoing transfer formula, the insurer shall transfer to the Treasurer from the insurance proceeds the amount specified in the estimate. If there is more than one insurer, the transfer of proceeds shall be on a pro rata basis by all insurers insuring the building or other structure.
- C. Upon receipt of the above-described portion of the insurance proceeds, the Treasurer shall do the following:
 - (1) Place the proceeds in a separate fund to be used solely as security against the total municipal expenses anticipated by the Township to be required in removing, repairing or securing the building or structure as required by this Part. Such costs shall include, without limitation, any engineering, legal or administrative costs incurred by the Township in connection with such removal, repair or securing or any proceedings related thereto; and,
 - (2) Mail to the named insured, at the address received from the insurer, a notice the proceeds have been received by the Township and that the procedures under this subsection shall be followed.
 - (3) After the transfer, the named insured may submit to the Township a contractor's signed estimate of the cost of removing, repairing or securing the building or other structure, in which event the Treasurer shall, if such estimate is deemed by the Treasurer to be reasonable, return to the insured the amount of the funds transferred to the Township in excess of that required to pay the municipal expenses; provided, the Township has not commenced to remove, repair or secure the building or other structure, in which case the Township will complete the work.
 - (4) Pay to the Treasurer, for reimbursement to the Township general fund, the amount of the municipal expenses paid by the Township.
 - (5) Pay the remaining balance in the fund (without interest) to the named insured upon receipt of a certificate issued by the Treasurer that the repair, removal or securing of the building or other structure has been completed in accordance with all applicable codes and regulations of the Township.

- (6) Nothing in this Section shall be construed to limit the ability of the Township to recover any deficiency in the amount of municipal claims or municipal expenses recovered pursuant to this Part, or to insurance proceeds, by an action at law or in equity to enforce the codes of the Township or to enter into an agreement with the named insured with regard to such other disposition of the proceeds as the Township may deem responsible.

(Ord. 2007-02-01, 2/12/2007)

§1-602. Limits of Liability.

Nothing in this Part shall be construed to make an insurance company, association or exchange liable for any amount in excess of proceeds payable under its insurance policy or for any other act performed pursuant to this Part or to make the Township, any Township official, a municipality or public official an insured under a policy of insurance or to create an obligation to pay delinquent property taxes or unpaid removal liens or expenses other than as provided in this Part.

(Ord. 2007-02-01, 2/12/2007)

§1-603. Insurance Company Rights Reserved.

An insurance company, association or exchange making payment of policy proceeds under this Part for delinquent taxes or structure removal liens or removal expenses incurred by the Township shall have a full benefit of such payment, including all rights of subrogation and of assignment.

(Ord. 2007-02-01, 2/12/2007)

§1-604. Construction.

This Part shall be liberally construed to accomplish its purpose to deter the commission of arson and related crimes, to discourage the abandonment of property and to prevent urban blight and deterioration.

(Ord. 2007-02-01, 2/12/2007)

§1-605. Notification of Pennsylvania Department of Community and Economic Development.

The Secretary of the Township shall transmit a certified copy of this Part promptly to the Pennsylvania Department of Community and Economic Development.

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(Ord. 2007-02-01, 2/12/2007)

§1-606. Penalty.

Any owner of property, any named insured or insurer who violates the provisions of this Part or who shall fail to comply with any of the requirements hereof shall be sentenced, upon conviction thereof, to a fine of not more than \$1,000 plus costs and, in default of payment of said fine and costs, to a term of imprisonment not to exceed 90 days. Each day that a violation of this Part continues or each Section of this Part which shall be found to have been violated shall constitute a separate offense.

(Ord. 2007-02-01, 2/12/2007)

PART 7
PENSION PLANS

A. Police Pension Plan.

§1-701. Definitions.

The following words and phrases, as used in this Subpart A, shall have the meanings set forth in this Section, unless a different meaning is otherwise clearly required by the context:

ACCRUED BENEFIT — as of any given date, the benefit determined under §1-704(2), calculated on the basis of final monthly average salary as of the date of termination and multiplied by a fraction, the numerator of which shall be the participant's aggregate service determined as of such date and the denominator of which shall be the projected aggregate service of the participant as if the participant continues in employment until attainment of normal retirement age. Notwithstanding anything contained herein to the contrary, in no event shall the fraction exceed 1. In no event, however, shall the accrued benefit exceed the maximum limitation, determined as of the date of computation, provided under §1-704(8). All accrued benefits are subject to all applicable limitations, reductions, offsets and actuarial adjustments provided pursuant to the terms of the Plan prior to the actual payment thereof.

ACCUMULATED CONTRIBUTIONS — the total amount contributed by any participant to this fund or its predecessor by way of payroll deduction or otherwise, plus interest credited at 6% per annum. Interest shall be credited in the form of a simple interest rate from the midpoint of the Plan year for which the contributions were made to the first day of the month preceding the date that a distribution of accumulated contributions under §§1-706(4) and 1-707(2) shall be paid or payment of benefits shall commence.

ACT — the Municipal Pension Plan Funding Standard and Recovery Act which was enacted as Act 205 of 1984, as amended, 53 P.S. §895.101 et seq.

ACTUARIAL EQUIVALENT — two forms of payment of equal actuarial present value on a specified date. The actuarial present value shall be determined by use of the 1984 Mortality Table and 7% interest unless otherwise specifically provided herein.

ACTUARY — the person, partnership, association or corporation which at any given time is serving as actuary; provided, that such actuary must be an "approved actuary" as defined in the Act.

AGGREGATE SERVICE — the total period or periods of the participant's employment with the employer whether or not interrupted. Notwithstanding the

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preceding sentence, should any such participant receive a distribution of accumulated contributions with respect to a period of employment for which employee contributions are required, such period of employment shall not be included in aggregate service thereafter unless, at the commencement of the next period of employment, the participant repays to the fund the amount of such distribution with interest. For purposes of this definition, interest shall accrue as of the date the employee receives a distribution of accumulated contributions and shall be computed at the same rate and in the same manner as described in the definition of "Accumulated Contributions." Aggregate service shall be calculated in completed years and shall not include any period of voluntary leave of absence without pay.

ATTENDING COLLEGE — the eligible children are registered at an accredited institution of higher learning and are carrying a minimum course load of seven credit hours per semester.

BENEFICIARY — the person or entity designated by the participant to receive a distribution of the participant's accumulated contributions should the participant die prior to becoming entitled to a retirement benefit. In the event that a participant does not designate a beneficiary or the beneficiary does not survive the participant, the beneficiary shall be the surviving spouse or if there is no surviving spouse, the issue, per stirpes, or if there is no surviving issue, the estate; but if no personal representative has been appointed, to those persons who would be entitled to the estate under the intestacy laws of the Commonwealth of Pennsylvania if the participant had died intestate and a resident of Pennsylvania.

BOARD — the Board of Supervisors of New Britain Township.

CHIEF ADMINISTRATIVE OFFICER — the person designated by the Township who has the primary responsibility for the execution of the administrative affairs for the Plan.

CODE — the Internal Revenue Code of 1986, as amended.

COMMITTEE — the Police Pension Committee as determined pursuant to §1-708(2).

COMMONWEALTH — the Commonwealth of Pennsylvania.

COMPENSATION — the total remuneration of the employee, whether salary or hourly wages, including overtime pay, holiday pay, longevity pay and any other form of compensation paid by the employer for police services rendered. Compensation shall be limited on an annual basis to the amount specified for government plans pursuant to Code §401(a)(17), as adjusted under Code §415(d).

DISABILITY DATE — the date when a participant is determined by the Plan Administrator to be incapacitated due to total and permanent disability, or the date when the participant's employment terminates due to such total and permanent disability, if later.

EARLY RETIREMENT AGE — the date on which the participant has completed 20 years of aggregate service with the employer.

EARLY RETIREMENT DATE — the first day of the month coincident with or next following the date on which a participant who has attained early retirement age ceases employment and chooses to commence receipt of retirement benefits prior to the normal retirement date.

EMPLOYEE — any individual employed by the employer on a regular full-time basis as a police officer of the employer's police force. For purposes of this Section, "full-time basis" shall mean that such employee works a minimum of 35 hours per week.

EMPLOYER — New Britain Township, Bucks County, Pennsylvania.

EMPLOYMENT —

A. For the purpose of determining aggregate service:

- (1) The period of time for which an employee is directly or indirectly compensated or entitled to compensation by the employer for the performance of duties as a police officer;
- (2) Any period of time for which an employee is paid, either directly by the employer or through a program to which the employer has made contributions on behalf of the employee, a fixed, periodic amount in the nature of salary continuation payments for reasons other than the performance of duties (such as vacation, holidays, sickness, entitlement to benefits under Workers' Compensation or similar laws);
- (3) Any period during which an employee is entitled to disability benefits under this Plan, provided that the employee returns to employment within three months of the date on which it is determined that the employee is no longer totally and permanently disabled if such determination occurs prior to the date a participant attains normal retirement age;
- (4) Any period of voluntary or involuntarily military service with the armed forces of the United States of America; provided that the participant has been employed as a regular, full-time member of the employer's police force for a period of at least six months immediately prior to the period of military service and the participant returns to employment within six months following discharge from military service or within such longer period during which employment rights are guaranteed by applicable law or under the terms of a collective bargaining agreement with the employer; and

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- (5) Any period of qualified military service as determined under the requirements of Chapter 43 of Title 38, United State Code; provided that the participant returns to employment following such period of qualified military service and the participant makes payment to the Plan in an amount equal to the participant contributions, if required, that would otherwise have been paid to the Plan during such period of qualified military service for benefits derived from participant contributions. The amount of participant and/or employer contributions shall be based upon an estimate of the compensation that would have been paid to the participant during such period of qualified military service as determined by the average compensation paid to the participant during the 12 months immediately preceding the period of qualified military service. The amount of participant contributions calculated must be paid into the Plan before the end of the period that begins on the date of re-employment and ends on the earlier of the date that ends the period that has a duration of three times the period of qualified military service or the date that is five years after the date of re-employment.

- F. Employment shall not mean, for the purpose of determining aggregate service:
- (1) Any period of disability for a participant who was disabled as a result of a non-service-related disability.

FINAL MONTHLY AVERAGE SALARY — the average monthly salary earned by the participant and paid by the employer during the final 36 consecutive months, regardless of any period during which the participant is disabled, immediately preceding termination of active employment. Salary shall include the employee's compensation to which the employee is entitled for the rendering of services in employment but shall exclude for this purpose any single sum or extraordinary payments made which are not directly attributable to active employment during the averaging period including, but not limited to, payment for accumulated sick leave, payment of a longevity bonus or payment of a back pay damage award. Final monthly average salary shall be calculated by taking into account only those periods during which an employee receives salary, as that term is defined in this Section. Therefore, for example, the final monthly average salary for a participant who receives disability benefits from this Plan or who is voluntarily or involuntarily serving in the United States armed forces during the final 36 months of aggregate service shall be based on the period during which the employee last received salary (as defined in this subsection) from the employer. Salary used to determine final monthly average salary shall be limited on an annual basis for the purpose of the Plan to the amount specified in accordance with Code §401(a)(17), as adjusted under Code §415(d).

INSURER or INSURANCE COMPANY — a legal reserve life insurance company authorized to do business in the Commonwealth of Pennsylvania.

LATE RETIREMENT DATE — the first day of the month coincident with or next following the date on which the participant retires from employment on which the payment of retirement benefits pursuant to this Plan shall commence.

MEMBER'S SALARY AT TIME OF DEATH — the last month of basic salary before the date of death.

MEMBER'S SALARY AT THE TIME THE DISABILITY WAS INCURRED — the last month of basic salary or basic rate of pay as applicable under any then-current collective bargaining agreement before the disability date.

MINIMUM MUNICIPAL OBLIGATION — the minimum obligation of the Township as determined by the actuary pursuant to the provisions of the Act.

NORMAL RETIREMENT AGE — the date on which the participant has completed 25 years of aggregate service with the employer and has attained age

NORMAL RETIREMENT DATE — the first day of the month coincident with or next following the date on which the participant retires from employment, which is subsequent to the date on which the participant attains normal retirement age.

NOTICE or ELECTION — a written document prepared in the form specified by the Plan Administrator. If such notice or election is to be provided by the employer or the Plan Administrator, it shall be mailed in a properly addressed envelope, postage prepaid, to the last known address of the person entitled thereto, on or before the last day of the specified notice or election period. If such notice or election is to be provided to the employer or the Plan Administrator, it must be received by the recipient on or before the last day of the specified notice or election period.

PARTICIPANT — an employee who has met the eligibility requirements to participate in the Plan as provided in §1-702(1) and who has not for any reason ceased to be a participant hereunder.

PENSION FUND — the Police Pension Fund administered under the terms of this Plan and which shall include all money, property, investments, policies and contracts standing in the name of the Plan.

PLAN — the Plan set forth herein, as amended from time to time, and designated as the New Britain Township Police Pension Plan.

PLAN ADMINISTRATOR — the committee or the individual appointed for the purpose of supervising and administering the provisions of the Plan. In the event that no such appointment is made, the Plan Administrator shall be the Board.

PLAN YEAR — the twelve-month period beginning on January 1 and ending on December 31 of each year.

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POLICY or CONTRACT — a retirement annuity or retirement income endowment policy (or a combination of both) or any other form of insurance contract or policy which shall be deemed appropriate in accordance with the provisions of applicable law.

RESTATEMENT DATE — September 9, 2002, the date upon which this amendment and restatement of the Plan becomes effective.

SERVICE INCREMENT — the amount calculated pursuant to §1-704(6) on behalf of a participant for each completed year of service in excess of 25 years, not to exceed \$100.

TOTAL AND PERMANENT DISABILITY — a condition of physical or mental impairment due to which a participant is unable to perform the usual and customary duties of employment, which condition is reasonably expected to continue to be permanent for the remainder of the participant's lifetime. For purposes of this Section and §1-705, a condition shall not be treated as total and permanent disability unless such condition is a direct result of and occurs in the line of employment. Therefore, a participant whose physical or mental impairment does not occur in the line of duty or which is the result of alcoholism, addiction to narcotics, perpetration of a felonious criminal activity or is willfully self-inflicted, is not entitled to receive disability benefits under the Plan.

(Ord. 02-09-03, 9/9/2002, Art. I; as amended by Ord. 2006-05-01, 5/10/2006)

§1-702. Participation in the Plan.

1. **Eligibility Requirements.** Each employee who is employed as a regular, full-time permanent member of the police department of the employer shall participate herein as of the date on which such employee's employment first commences or recommences provided all prerequisites to participation under this Plan shall have been fulfilled, including, but not limited to, completion of all forms required by the Plan Administrator. Each employee who was a participant in the Plan on the day prior to the restatement date shall continue to be a participant on and after the restatement date subject to the terms and conditions of the Plan as set forth herein.
2. **Participation Requirements.** The Board shall furnish the Plan Administrator with written notification of the appointment of any new full-time permanent employee who is eligible for participation hereunder. Each participant hereunder shall be required to make contributions to the Plan, as provided in §1-703(1) hereof and shall execute and complete any enrollment or application forms as required by the Plan Administrator.
3. **Designation of Beneficiary.** Any new, full-time employee who becomes a participant hereunder shall provide a written notice in the manner prescribed by the Plan Administrator which designates a beneficiary at the time participation com-

mences. The participant's election of any such beneficiary may be rescinded or changed, without the consent of the beneficiary, at any time provided the participant provides the written notice of the changed designation to the Plan Administrator in the manner prescribed by the Plan Administrator. Any designation of a beneficiary made in any manner other than one acceptable to the Plan Administrator shall be null and void and have no effect under the terms of this Plan.

4. Change in Status. A participant who remains in the service of the employer but ceases to be an employee eligible for participation hereunder, or ceases or fails to make any contributions which are required as a condition of participation hereunder, shall have no further benefit accruals occur until the individual again qualifies as a participant hereunder eligible to resume such accrual of benefits.
5. Record Keeping. The employer shall furnish the Plan Administrator with such information as will aid the Plan Administrator in the administration of the Plan. Such information shall include all pertinent data on employees for purposes of determining their eligibility to participate in this Plan.

(Ord. 02-09-03, 9/9/2002, Art. II)

§1-703. Contributions.

1. Participant Contributions. Each participant shall as a requirement of participation pay regular contributions to the Pension Fund in an amount equal to 5% of the participant's compensation. Each participant shall complete the necessary forms to authorize the payment of participant contributions by way of payroll deduction.
2. Reduction of Participant Contributions. Notwithstanding the preceding subsection (1), if an actuarial study performed by the actuary shows that the condition of the pension fund is such that payments into the pension fund by participants may be reduced below the minimum percentages prescribed in subsection (1) or may be eliminated and that if such payments are reduced or eliminated, contributions by the employer will not be required to keep the pension fund actuarially sound, the employer may, by ordinance or resolution, reduce or eliminate payments into the pension fund by participants.
3. Employer Contributions. The actuary, in accordance with the Act, shall determine the minimum municipal obligation of the employer. The employer shall pay into the pension fund, by annual appropriations or otherwise, the contributions necessary to satisfy the minimum municipal obligation. Notwithstanding the foregoing, nothing contained herein shall preclude the employer from contributing an amount in excess of the minimum municipal obligation.
4. State Aid. General municipal pension system State aid or any other amount of State aid received by the employer in accordance with the Act from the Commonwealth may be deposited into the Pension Fund governed by this Plan in amounts

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determined by the Board, and shall be used to reduce the amount of the minimum municipal obligation of the employer.

5. Gifts. The Board is authorized to take by gift, grant, devise or otherwise any money or property, real or personal, for the benefit of the Plan and cause the same to be held as a part of the pension fund. The care, management, investment and disposal of such amounts shall be vested in the Board or its delegate, the Plan Administrator, subject to the direction of the donor and not inconsistent with applicable laws and the terms of the Plan.
6. Employer Reversion. At no time shall it be possible for the Plan assets to be used for, or diverted to, any purpose other than for the exclusive benefit of the participants and their beneficiaries, including payment of any reasonable Plan expenses. Notwithstanding the foregoing, any contributions made by the employer may be returned to the employer if the contribution was made due to a mistake and the contribution is returned within one year of the date on which the discovery of the mistaken payment of the contribution was made or reasonably should have been made or the Plan is terminated, as provided in §1-710.

(Ord. 02-09-03, 9/9/2002, Art. III)

§1-704. Retirement Benefits.

1. Normal Retirement. Each participant shall be entitled to normal retirement benefits after retirement on or after the participant has attained normal retirement age.
2. Normal Retirement Benefit. Each participant who shall become entitled to a benefit pursuant to subsection (1) shall receive a benefit paid monthly in an amount equal to 50% of the participant's final monthly average salary as determined herein.
3. Late Retirement. A participant may continue in employment beyond the attainment of normal retirement age subject to the employer's rules and regulations regarding retirement age. If a participant who has met the requirements of subsection (1) continues in employment beyond normal retirement age, there shall be no retirement benefits paid until employment ceases and the participant's retirement actually begins. The retirement benefit of a participant who continues employment after attainment of normal retirement age shall be calculated in accordance with subsection (2) on the basis of the final monthly average salary as of such participant's actual retirement and shall commence on the participant's late retirement date.
4. Early Retirement. A participant shall be entitled to an early retirement benefit after retirement on or after attainment of early retirement age.

5. **Early Retirement Benefit.** Each participant who shall become entitled to a benefit pursuant to subsection (4) must make application, in writing, to the Township Board of Supervisors to receive such a benefit. The early retirement benefit shall become effective as of the date the application is filed with the Board or the date designated on the application, whichever is later. The benefit shall be in an amount equal to the actuarial equivalent of the participant's accrued benefit. The actuarial equivalent of the participant's accrued benefit shall be determined by actuarially reducing the accrued benefit to reflect that it will commence on the effective date of the participant's early retirement rather than on the date which would have been the date on which the participant would attain normal retirement date if the participant continued in employment to such date. The actuarial assumptions reported in the last actuarial valuation report filed with the Public Employee Retirement Commission under the Act shall be the actuarial assumptions used to calculate the actuarial equivalent of the participant's accrued benefit.
6. **Service Increment.** Notwithstanding anything contained herein to the contrary, each participant who shall retire upon completion of the 26th anniversary of aggregate service or thereafter, may be entitled to receive a monthly service increment benefit. Such service increment shall only be available to a participant who shall retire on a retirement date after attainment of normal retirement age and whose aggregate service for purposes of this subsection shall only include periods of time when the participant actively renders service in employment and shall not include any period of time during which the participant received a disability benefit under the terms of this Plan or was not otherwise in active employment. Such service increment benefit shall be an amount equal to an additional monthly benefit of 3% of the participant's monthly normal retirement benefit for each completed year of service in excess of 25 years up to a maximum increment benefit of \$100 and shall be paid monthly in addition to the amount of normal retirement benefit calculated pursuant to subsection (2).
7. **Payment of Benefits.** Retirement benefit payments shall be payable as of the participant's retirement date and the first day of each month thereafter during the participant's lifetime. A participant must complete an application for benefit in the manner prescribed by the Plan Administrator and deliver such application to the Plan Administrator at least 30 days prior to the date on which benefit payments shall commence. Notwithstanding anything contained herein to the contrary, no retirement benefit payments nor any other payments shall be due or payable on or before the date that is 30 days after the date the Plan Administrator receives the application for benefits. Payment of benefits hereunder shall cease as of the date of death of the participant.
8. **Maximum Benefit Limitations.** Notwithstanding any provision of this Plan to the contrary, no benefit provided under this Plan attributable to contributions of the employer shall exceed, as an annual amount, the amount specified in Code Section 415(b)(1)(A), as adjusted pursuant to Code Section 415(d), assuming the form of benefit shall be a straight life annuity (with no ancillary benefits). The limitations

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described in this subsection shall be governed by the following conditions and definitions:

- A. Benefits paid or payable in a form other than a straight life annuity (with no ancillary benefits) or where the employee contributes to the Plan or makes rollover contributions shall be adjusted on an actuarially equivalent basis in accordance with applicable regulations to determine the limitation contained herein.
- B. In the case of a benefit which commences prior to the attainment of age 62 by the participant, the limitation herein shall be adjusted on an actuarially equivalent basis to the amount determined pursuant to this Section commencing at age 62; however, in the case of a qualified participant (a participant with respect to whom a period of at least 15 years of service, including applicable military service, as a full-time employee of a police or fire department is taken into account in determining the amount of benefit), the limitation contained herein shall not apply.
- C. In the case of a benefit which commences after attainment of age 65 by the participant, the limitation herein shall be adjusted on an actuarially equivalent basis in accordance with applicable regulations to the amount determined commencing at age 65.
- D. Benefits paid to a participant which total less than \$10,000 from all defined benefit plans maintained by the employer, expressed as an annual benefit, shall be deemed not to exceed the limitation of this Section, provided that the employer has not at any time maintained a defined contribution plan in which the participant has participated; however, in the case of a participant who is not receiving a disability retirement benefit pursuant to §1-705(2) or a survivor benefit pursuant to §1-706(2) or (3), with fewer than 10 years of participation, the limitation expressed in this subsection (8)(D) shall be reduced by 1/10 for each year of participation less than 10, but in no event shall this limitation be less than \$1,000.
- E. The limitations expressed herein shall be based upon Plan years for calculation purposes, shall be applied to all defined benefit plans maintained by the employer as one defined benefit plan and to all defined contribution plans maintained by the employer as one defined contribution plan, and shall be applied and interpreted consistent with Code Section 415 and regulations thereunder as applicable to government plans in general and this Plan in particular.
- F. In the case of a survivor benefit under §1-706(2) or (3) or a disability retirement benefit under §1-705(2), the adjustment under subsection (8)(B) hereof shall not apply, and the applicable limitation shall be the limitation contained herein without regard to the age of the benefit recipient.

9. Incorporation of Code §415 by Reference. Notwithstanding anything contained in subsection (8) to the contrary, the limitations, adjustments and other requirements prescribed in subsection (8) shall at all times comply with the provisions of Code §415 and the regulations thereunder (as such apply to governmental plans), the terms of which are specifically incorporated herein by reference.
10. Required Distributions.
 - A. Notwithstanding any other provision of this Plan, the entire benefit of any participant who becomes entitled to benefits prior to his death shall be distributed either:
 - (1) Not later than the required beginning date.
 - (2) Over a period beginning not later than the required beginning date and extending over the life of such participant or over the lives of such participant and a designated beneficiary (or over a period not extending beyond the life expectancy of such participant or the joint life expectancies of such participant and a designated beneficiary).

If a participant who is entitled to benefits under this Plan dies prior to the date when his entire interest has been distributed to him after distribution of his benefits has begun in accordance with subsection (2) above, the remaining portion of such benefit shall be distributed at least as rapidly as under the method of distribution being used under subsection (2) as of the date of his death.

- B. If a participant who is entitled to benefits under this Plan dies before distribution of his benefit has begun, the entire interest of such employee shall be distributed within five years of the death of such employee, unless the following sentence is applicable. If any portion of the employee's interest is payable to (or for the benefit of) a designated beneficiary, such portion shall be distributed over the life of such designated beneficiary (or over a period not extending beyond the life expectancy of such beneficiary) and such distributions begin not later than one year after the date of the employee's death or such later date as provided by regulations issued by the Secretary of the Treasury, then for purposes of the 5-year rule set forth in the preceding sentence, the benefit payable to the beneficiary shall be treated as distributed on the date on which such distributions begin. Provided, however, that notwithstanding the preceding sentence, if the designated beneficiary is the surviving spouse of the participant, then the date on which distributions are required to begin shall not be earlier than the date upon which the employee would have attained age 70 1/2 and further provided, if the surviving spouse dies before the distributions to such spouse begin, this subsection shall be applied as if the surviving spouse were the employee.
 - C. For purposes of this Section, the following definitions and procedures shall apply:

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- (1) Required Beginning Date. April 1 of the calendar year following the later of the calendar year in which the employee attains age 70 1/2 or the calendar year in which the employee retires.
- (2) The phrase “designated beneficiary” shall mean any individual designated by the employee under this Plan according to its rules.
- (3) Any amount paid to a child shall be treated as if it had been paid to the surviving spouse if such amount will become payable to the surviving spouse upon such child’s reaching majority (or other designated event permitted under regulations issued by the Secretary of the Treasury).
- (4) For purposes of this Section, the life expectancy of an employee and/or the employee’s spouse (other than in the case of a life annuity) may be redetermined but not more frequently than annually.

11. Direct Rollovers.

- A. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an eligible rollover distribution that is equal to at least \$500 paid directly to an eligible retirement plan specified by the distributee in a direct rollover.
- B. This subsection (11)(B) shall apply to distributions made on or after January 1, 2006. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, if a distribution in excess of \$1,000 is made and the distributee does not make an election under subsection (11)(A) and does not elect to receive the distribution directly, the Plan Administrator shall make such transfer to an individual retirement plan of a designated trustee or issuer pursuant to §1-708(3)(I). The Plan Administrator shall notify the distributee, in writing, within a reasonable period of time and as otherwise prescribed by law, that the distribution may be transferred to another individual retirement plan.
- C. For purposes of this Section, the following definitions shall apply:

ELIGIBLE RETIREMENT PLAN — a qualified trust described in Code Section 401(a), an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a), an annuity contract described in Code Section 403(b), an eligible deferred compensation plan described in Code Section 457(b), which is maintained by a state, political subdivision of a state, and any agency or instrumentality of a state or a po-

litical subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan.

ELIGIBLE ROLLOVER DISTRIBUTION —

- (1) Any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of 10 years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).
- (2) For purposes of the direct rollover provisions in this Section of the Plan, a portion of the distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions that are not includible in gross income. However, such portion may only be paid to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion which is not includible.

DIRECT ROLLOVER — a payment by the Plan to the eligible retirement plan specified by the distributee or the Plan Administrator, if the distributee does not make an election.

DISTRIBUTEES — includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), are distributees with regard to the interest of the spouse or former spouse.

12. **Assignment.** The pension benefit payments prescribed herein shall not be subject to attachment, execution, levy, garnishment or other legal process and shall be payable only to the participant or designated beneficiary and shall not be subject to assignment or transfer unless it is the subject of a domestic relations order, mandated by a court of competent jurisdiction, that clearly provides for proper distribution of a portion of the pension benefit payments to an alternate payee (former spouse of the participant) and does not require any benefit to be paid in excess of the available earned and accrued under the Plan.

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13. **Retired Participants.** Any participant who shall have retired prior to the restatement date shall not have the benefit altered in any way by the provisions of this amended and restated Plan, except where otherwise expressly provided herein. Such retired participants shall continue to have their benefits governed by the terms of the Plan in effect on the day preceding the restatement date. Any participant who shall have terminated employment and elected to receive a deferred retirement benefit under §1-707(3) shall have such benefit determined based upon the provisions of the Plan in effect as of the date of such termination of employment and shall not have the benefit altered by the provisions of this amended and restated Plan.
14. **Limitation of Liability.** Nothing contained herein shall obligate the employer, the Plan Administrator, any fiduciary or any agent or representative of any of the foregoing, to provide any retirement or other benefit to any participant or beneficiary which cannot be provided from the assets available in the Pension Fund, whether such benefits are in pay status or otherwise payable under the terms of the Plan. The Board retains the right to amend or terminate this Plan consistent with applicable law at any time, with or without cause and whether or not such action directly or indirectly results in the suspension, reduction or termination of any benefit payable under the Plan or in pay status, and without liability to any person for any such action.
15. **Personal Right of Participant.** The right to receive any benefits under this Plan is a personal right of the participant and shall expire upon the death of the participant. No heir, legatee, devisee, beneficiary, assignee or other person claiming by or through a participant shall have any interest in any benefits hereunder unless clearly and expressly so provided by the terms of this Plan or the provisions of applicable law. A participant's election, failure to make an election or revocation of an election hereunder shall be final and binding on all persons.
16. **Non-Duplication of Benefit.** To avoid any duplication of benefits, a participant who is receiving a retirement benefit under the Plan and who shall resume employment shall have benefit payments suspended until the first day of the month coincident with or next following the date such employment shall cease. Upon resumption of benefit payments, such participant shall receive the greater of the amount of the suspended benefit or the amount of benefit based upon final monthly average salary and aggregate service as of the date that such period of resumed employment shall cease.

(Ord. 02-09-03, 9/9/2002, Art. IV; as amended by Ord. 2006-05-01, 5/10/2006)

§1-705. Disability Retirement.

1. **Disability Retirement.** A participant who shall incur a total and permanent disability before attaining normal retirement age shall be entitled to a disability retirement benefit as of the disability date.

2. **Disability Retirement Benefit.** A participant who shall be entitled to a disability retirement benefit under subsection 1 shall receive a monthly benefit in an amount equal to the participant's normal retirement benefit, which is determined under §1-704(2) as if the participant had attained normal retirement age on the day prior to the date that the participant terminated employment due to total and permanent disability; however, the disability benefit shall be no less than 50% of the member's salary at the time the disability was incurred, as defined pursuant to §1-701, determined as of the disability date. Any member who receives benefits for the same injuries under Social Security Disability shall have the participant's disability benefits offset or reduced by the amount of such benefits.
3. **Payment of Disability Benefits.** Disability payments shall be made monthly as of the first day of each month, commencing as of the first day of the month coincident with or immediately following the participant's disability date and continuing until the earliest of the death of the participant, cessation of total and permanent disability or attainment of normal retirement age (such a participant who attains normal retirement age shall thereafter receive a normal retirement benefit pursuant to §1-704(2)). A participant who shall fail to return within three months to employment as an employee of the employer upon cessation of total and permanent disability prior to attainment of normal retirement age shall be deemed to have terminated employment as of the disability date, shall not be entitled to any distribution of accumulated contributions pursuant to §1-707(2) to the extent that the total amount of disability payments exceeds the value of the participant's accumulated contributions as of the disability date, and shall not be entitled to any other benefits under the Plan on account of any aggregate service as of the disability date.
4. **Verification of Disability.** The Plan Administrator shall in its sole discretion determine whether a participant shall have incurred a total and permanent disability. The Plan Administrator shall rely on the report of a physician acceptable to the Plan Administrator. If the Plan Administrator shall determine that a participant who is totally and permanently disabled has recovered sufficiently to resume active employment as a police officer or if a participant refuses to undergo a medical examination as directed by the Plan Administrator (such a medical examination may not be required more frequently than once in any given twelve-month period), the payment of disability retirements shall cease.
5. **Cessation of Disability.** A participant who is receiving payment of disability retirement benefits under this Plan must notify the Plan Administrator of any change which may cause a cessation of entitlement to receipt of such benefits hereunder. If a participant fails to provide immediate notice to the Plan Administrator of any such change in status and continues to receive payment of benefits hereunder to which the participant is not entitled, then the Plan may take whatever action is necessary to recover any amount of improperly paid amounts, including legal action or offsetting such amounts against any future payments of retirement or other benefits under the Plan, including the costs of such actions.

(Ord. 02-09-03, 9/9/2002, Art. V; as amended by Ord. 2006-05-01, 5/10/2006)

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§1-706. Death Benefits.

1. **Death of Participant.** Upon the occurrence of the death of a participant, there shall be benefits payable in accord with the following subsections of this Section.
2. **Survivor Benefit.** If a participant shall die after commencement of retirement or disability benefit payments or after becoming eligible to receive retirement benefit payments under §1-704(1) and before retirement benefit payments commence, a survivor benefit shall be paid to the surviving spouse or dependent child(ren), if any, of the participant, pursuant to §1-706(4), in an amount equal to 50% of the benefit the participant was receiving or was eligible to receive as of the date of death.
3. **Killed in Service Survivor Benefit.** A survivor benefit in accordance with the Act of June 24, 1976, as amended, and particularly as amended by Act 51 of 2009, shall be payable by the Commonwealth of Pennsylvania in the event of the death of a participant who is killed in service as defined by the Act. In the event such a benefit becomes payable, the benefit shall be payable by the Commonwealth of Pennsylvania pursuant to the aforementioned Act. [Ord. 2010-09-01]
4. **Payment of Survivor Benefits.** The survivor benefit commences as of the first day of the month coincident with or immediately following the date of death of the participant. The survivor benefit shall be paid monthly to the surviving spouse of the participant, if any, until the death of the surviving spouse. Upon the death of the surviving spouse or if there is no surviving spouse, the survivor benefit shall be paid monthly in equal shares to the surviving dependent child(ren) of the deceased participant until attainment of age 18 or, if attending college, under or attaining the age of 23. The shares payable to the surviving dependent child(ren) shall be adjusted as each child ceases to be eligible to receive a share of the benefit hereunder.
5. **Death of Participant Prior to Retirement.** If a participant shall die before payment of a benefit has commenced and without eligibility for payment of a survivor benefit under subsection (2) or (3), the beneficiary shall be eligible to receive a distribution in an amount equal to the accumulated contributions of the participant as of the date of death of the participant. If the participant has received disability retirement benefits hereunder, the amount of distribution of accumulated contributions shall be reduced by the amount of disability retirement benefits, which have been paid hereunder.

(Ord. 02-09-03, 9/9/2002, Art. VI; as amended by Ord. 2006-05-01, 5/10/2006; by Ord. 2007-02-01, 2/12/2007; and by Ord. 2010-09-01, 9/13/2010, §I)

§1-707. Termination of Employment.

1. **Rights of Terminated Employees.** A participant who shall cease to be an employee except as otherwise hereinbefore provided shall have all interest and rights under this Plan limited to those contained in the following subsections of this Section.
2. **Distribution of Accumulated Contributions.** A participant whose employment with the employer shall terminate for any reason other than death prior to attainment of normal retirement age shall be entitled to receive a distribution of accumulated contributions. Upon receipt of such accumulated contributions, said participant and beneficiary shall not be entitled to any further payments from the Plan.
3. **Deferred Retirement Benefit.** A participant who shall have completed at least 12 years of aggregate service and whose employment shall terminate for any reason other than due to death or total and permanent disability prior to attainment of normal retirement age shall be entitled to elect to receive a deferred retirement benefit in lieu of a distribution of accumulated contributions under subsection (2). Such a deferred retirement benefit shall be equal to the participant's accrued benefit as of the date employment terminates and shall commence after application pursuant to §704(7) and not earlier than the date which would be the participant's normal retirement date or early retirement date under the Plan if the participant remained in employment until such date. A survivor benefit shall be payable to the beneficiary of the participant pursuant to §1-706(4).

(Ord. 02-09-03, 9/9/2002, Art. VII)

§1-708. Administration.

1. **Plan Administrator.** The Plan Administrator shall be the committee or the individual appointed by the Board who shall have the power and authority to do all acts and to execute, acknowledge and deliver all instruments necessary to implement and effectuate the purpose of this Plan. The Plan Administrator may delegate authority to act on its behalf to any persons it deems appropriate. If a Plan Administrator is not appointed, the Board of Supervisors shall be the Plan Administrator.
2. **Police Pension Committee.** The Board may appoint a Police Pension Committee to administer the affairs of the Plan. The Board shall delegate such authority as it shall deem appropriate to the Committee. The Committee, if one is appointed, shall consist of not more than five members. Each member of the Committee shall serve in that capacity until death, resignation, removal or otherwise. Each member may resign by delivering written notice to the Board and other members of the Committee. Vacancies on the Committee shall be filled in the same manner as the position was originally filled by the Board; provided, however, that the remaining members of the Committee shall have full power to act pending the filling of such vacancies.

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3. Authority and Duties of the Plan Administrator. The Plan Administrator shall have full power and authority to do whatever shall, in its judgment, be reasonably necessary for the proper administration and operation of the Plan. The interpretation or construction placed upon any term or provision of the Plan by the Plan Administrator or any action of the Plan Administrator taken in good faith shall, upon the Board's review and approval thereof, be final and conclusive upon all parties hereto, whether employees, participants or other persons concerned. By way of specification and not limitation and except as specifically limited hereafter, the Plan Administrator is authorized to:
 - A. Construe this Plan.
 - B. Determine all questions affecting the eligibility of any employee to participate herein.
 - C. Compute the amount and source of any benefit payable hereunder to any participant or beneficiary.
 - D. Authorize any and all disbursements.
 - E. Prescribe any procedure to be followed by any participant and/or other person in filing any application or election.
 - F. Prepare and distribute, in such manner as may be required by law or as the Plan Administrator deems appropriate, information explaining the Plan.
 - G. Require from the employer or any participant such information as shall be necessary for the proper administration of the Plan.
 - H. Appoint and retain any individual to assist in the administration of the Plan, including such legal, clerical, accounting and actuarial services as may be required by any applicable law or laws.
 - I. Select an individual retirement plan provider (either the State or a federally regulated financial institution) and invest funds in connection with the rollover of mandatory distributions as described in §1-704(11)(B).

The Plan Administrator shall have no power to add to, subtract from or modify the terms of the Plan or change or add to any benefits provided by the Plan, or to waive or fail to apply any requirements of eligibility for benefits under the Plan. Further, the Plan Administrator shall have no power to adopt, amend or terminate the Plan, to select or appoint any trustee or to determine or require any contributions to the Plan, said powers being exclusively reserved to the Board of Supervisors.

4. Police Pension Committee Organization. The Committee may organize itself in any manner deemed appropriate to effectuate its purposes hereunder provided that it shall operate and act by a majority of its members at the time in office ei-

ther by vote at a meeting or in writing without a meeting. The Committee shall appoint a Chairman, a Secretary who may, but need not be a Committee member, and such other agents as it may deem advisable. The Committee may authorize any one or more of its members to execute any document or documents, including any application, request, certificate, notice, consent, waiver or direction and shall notify the Board, in writing, of each such member so authorized; however, if no such member is so authorized, the Chairman shall be deemed to be so authorized. Any trustee or other fiduciary appointed hereunder shall accept and be fully protected in relying upon any document executed by the designated members (or the Chairman in the absence of a designation) as representing a valid action by the Committee until the Committee shall file with such fiduciary a written revocation of such designation. The Committee shall meet at least one time in each plan year, and it shall maintain and keep such records as are necessary for the efficient operation of the Plan or as may be required by any applicable law, regulation or ruling and shall provide for the preparation and filing of such forms, reports or documents as may be required to be filed with any governmental agency or department and with the participants or other persons entitled to benefits under the Plan.

5. **Plan Administrator Costs.** The Plan Administrator shall serve without compensation for services unless otherwise agreed by the Board in writing. All reasonable expenses incident to the functioning of the Plan Administrator including, but not limited to, fees of accountants, counsel, actuaries and other specialists and other costs of administering the Plan, may be paid from the pension fund upon approval by the Board to the extent permitted under applicable law and not otherwise paid by the employer.
6. **Hold Harmless.** No member of the Board of Supervisors, the Plan Administrator, the enrolled actuary or any other person involved in the administration of the Plan shall be liable to any person on account of any act or failure to act which is taken or omitted to be taken in good faith in performing their respective duties under the terms of this Plan. To the extent permitted by law, the employer shall, and hereby does agree to, indemnify and hold harmless the Plan Administrator and each successor and each of any such individual's heirs, executors and administrators and the delegates and appointees (other than any person, bank, firm or corporation which is independent of the employer and which renders services to the Plan for a fee) from any and all liability and expenses, including counsel fees reasonably incurred in any action, suit or proceeding to which he is or may be made a party by reason of being or having been a member, delegate or appointee of the Plan Administrator, except in matters involving criminal liability, intentional or willful misconduct. If the employer purchases insurance to cover claims of a nature described above, then there shall be no right of indemnification except to the extent of any deductible amount under the insurance coverage or to the extent of the amount the claims exceed the insured amount.
7. **Approval of Benefits.** The Plan Administrator shall review and approve or deny any application for retirement benefits within 30 days following receipt thereof or within such longer time as may be necessary under the circumstances. Any denial

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of an application for retirement benefits shall be in writing and shall specify the reason for such denial.

8. Appeal Procedure. Any person whose application for retirement benefits is denied, who questions the amount of benefit paid, who believes a benefit should have commenced which did not so commence or who has some other claim arising under the Plan ("claimant") shall first seek a resolution of such claim under the procedure hereinafter set forth:
 - A. Any claimant shall file a notice of the claim with the Plan Administrator which shall fully describe the nature of the claim. The Plan Administrator shall review the claim and make an initial determination approving or denying the claim.
 - B. If the claim is denied in whole or in part, the Plan Administrator shall, within 90 days (or such other period as may be established by applicable law) from the time the application is received, mail notice of such denial to the claimant. Such ninety-day period may be extended by the Plan Administrator if special circumstances so require for up to 90 additional days by the Plan Administrator's delivering notice of such extension to the claimant within the first ninety-day period. Any notice hereunder shall be written in a manner calculated to be understood by the claimant and if a notice of denial, shall set forth the specific Plan provisions on which the denial is based, an explanation of additional material or information, if any, necessary to perfect such claim and a statement of why such material or information is necessary and an explanation of the review procedure.
 - C. Upon receipt of notice denying the claim, the claimant shall have the right to request a full and fair review by the Board of the initial determination. Such request for review must be made by notice to the Board within 60 days of receipt of such notice of denial. During such review, the claimant or a duly authorized representative shall have the right to review any pertinent documents and to submit any issues or comments in writing. The Board shall, within 60 days after receipt of the notice requesting such review (or in special circumstances, such as where the Board in its sole discretion holds a hearing, within 120 days of receipt of such notice) submit its decision in writing to the person or persons whose claim has been denied. The decision shall be final, conclusive and binding on all parties, shall be written in a manner calculated to be understood by the claimant and shall contain specific references to the pertinent Plan provisions on which the decision is based.
 - D. Any notice of a claim questioning the amount of a benefit in pay status shall be filed within 90 days following the date of the first payment which would be adjusted if the claim is granted, unless the Plan Administrator allows a later filing for good cause shown.

- E. A claimant who does not submit a notice of a claim or a notice requesting a review of a denial of a claim within the time limitations specified above shall be deemed to have waived such claim or right to review.
- F. Nothing contained herein is intended to abridge any right of a claimant to appeal any final decision hereunder to a court of competent jurisdiction under 2 Pa. C.S.A. §752. No decision hereunder is a final decision from which such an appeal may be taken until the entire appeal procedure of this subsection (8) has been exhausted.

(Ord. 02-09-03, 9/9/2002, Art. VIII; as amended by Ord. 2006-05-01, 5/10/2006)

§1-709. Pension Fund.

1. Operation of the Pension Fund. The Board of Supervisors is hereby authorized to hold and supervise the investment of the assets of the Pension Fund, subject to the provisions of the laws of the Commonwealth and of this Plan and any amendment thereto.
 - A. The Pension Fund shall be used to pay benefits as provided in the Plan and, to the extent not paid directly by the employer, to pay the expenses of administering the Plan pursuant to authorization by the employer.
 - B. The employer intends the Plan to be permanent and for the exclusive benefit of its employees. It expects to make the contributions to the Pension Fund required under the Plan. The employer shall not be liable in any manner for any insufficiency in the pension fund; benefits are payable only from the Pension Fund and only to the extent that there are monies available therein. The Pension Fund will consist of all funds held by the employer under the Plan, including contributions made pursuant to the provisions hereof and the investments, re-investments and proceeds thereof. The Pension Fund shall be held, managed and administered pursuant to the terms of the Plan. Except as otherwise expressly provided in the Plan, the employer has exclusive authority and discretion to manage and control the Pension Fund assets. The employer may, however, appoint a trustee, custodian or investment manager, at its sole discretion.
2. Powers and Duties of Employer. With respect to the Pension Fund, the employer shall have the following powers, rights and duties, in addition to those vested in it elsewhere in the Plan or by law, unless such duties are delegated:
 - A. To retain in cash so much of the Pension Fund as it deems advisable and to deposit any cash so retained in any bank or similar financial institution (including any such institution which may be appointed to serve as trustee hereunder) without liability for interest thereon.

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- B. To invest and re-invest the principal and income of the fund and keep said fund invested, without distinction between principal and income, in securities which are at the time legal investments for fiduciaries under the Pennsylvania Fiduciaries Investment Act, or as the same may be subsequently modified or amended.
- C. To sell property held in the fund at either public or private sale for cash or on credit at such times as it may deem appropriate, to exchange such property, to grant options for the purchase or exchange thereof.
- D. To consent to and participate in any plan of reorganization, consolidation, merger, extension or other similar plan affecting property held in the Fund, to consent to any contract, lease, mortgage, purchase, sale or other action by any corporation pursuant to any such plan.
- E. To exercise all conversion and subscription rights pertaining to property held in the Fund.
- F. To exercise all voting rights with respect to property held in the Fund and in connection therewith to grant proxies, discretionary or otherwise.
- G. To place money at any time in a deposit bank deemed to be appropriate for the purposes of this Plan no matter where situated, including in those cases where a bank has been appointed to serve as trustee hereunder, the savings department of its own commercial bank.
- H. In addition to the foregoing powers, the employer shall also have all of the powers, rights and privileges conferred upon trustees by the Pennsylvania Fiduciaries Investment Act, or as the same may be subsequently modified or amended and the power to do all acts, take all proceedings and execute all rights and privileges, although not specifically mentioned herein, as the employer may deem necessary to administer the Pension Fund.
- I. To maintain and invest the assets of this Plan on a collective and commingled basis with the assets of other pension plans maintained by the employer; provided, that the assets of each respective plan shall be accounted for and administered separately.
- J. To invest the assets of the Pension Fund in any collective commingled trust fund maintained by a bank or trust company, including any bank or trust company which may act as a trustee hereunder. In this connection, the commingling of the assets of this Plan with assets of other eligible, participating plans through such a medium is hereby specifically authorized. Any assets of the Plan which may be so added to such collective trusts shall be subject to all of the provisions of the applicable declaration of trust, as amended from time to time, which declaration, if required by its terms or by applicable law, is hereby adopted as part of the Plan, to the extent of the participation in such collective or commingled trust fund by the Plan.

- K. To make any payment or distribution required or advisable to carry out the provisions of the Plan, provided that if a trustee is appointed by the employer, such trustee shall make such distribution only at the direction of the employer.
- L. To compromise, contest, arbitrate, enforce or abandon claims and demands with respect to the Plan.
- M. To retain any funds or property subject to any dispute without liability for the payment of interest thereon and to decline to make payment or delivery thereof until final adjudication is made by a court of competent jurisdiction.
- N. To pay, and to deduct from and charge against the Pension Fund, any taxes which may be imposed thereon, whether with respect to the income, property or transfer thereof, or upon or with respect to the interest of any person therein, which the Fund is required to pay, to contest, in its discretion, the validity or amount of any tax, assessment, claim or demand which may be levied or made against or in respect of the pension fund, the income, property or transfer thereof, or in any matter or thing connected therewith.
- O. To appoint any persons or firms including, but not limited to, accountants, investment advisors, counsel, actuaries, physicians, appraisers, consultants, professional Plan Administrators and other specialists or otherwise act to secure specialized advice or assistance, as it deems necessary or desirable in connection with the management of the Fund, to the extent not prohibited by applicable law, the employer shall be entitled to rely conclusively upon and shall be fully protected in any action or omission taken by it in good faith reliance upon, the advice or opinion of such persons or firms; provided, such persons or firms were prudently chosen by the employer, taking into account the interests of the participants and beneficiaries and with due regard to the ability of the persons or firms to perform their assigned functions.
- P. To retain the services of one or more persons or firms for the management of (including the power to acquire and dispose of) all or any part of the fund assets; provided, that each of such persons or firms is registered as an investment advisor under the Investment Advisors Act of 1940, is a bank (as defined in that Act) or is an insurance company qualified to manage, acquire or dispose of pension trust assets under the laws of more than one state; in such event, the employer shall follow the directions of such investment manager or managers with respect to the acquisition and disposition of fund assets, but shall not be liable for the acts or omissions of such investment manager or managers, nor shall it be under any obligation to review or otherwise manage any fund assets which are subject to the management of such investment manager or managers. If the employer appoints a trustee, the trustee shall not be permitted to retain such an investment manager except with the express written consent of the employer.

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3. Common Investments. The employer shall not be required to make separate investments for individual participants or to maintain separate investments for each participant's account, but may invest contributions and any profits or gains therefrom in common investments.
4. Compensation and Expenses of Appointed Trustee. If a trustee is appointed, the trustee shall be entitled to such reasonable compensation as shall, from time to time, be agreed upon by the employer and the trustee, unless such compensation is prohibited by law. Such compensation and all expenses reasonably incurred by the trustee in carrying out its functions shall constitute a charge upon the employer or the Pension Fund, which may be executed at any time after 30 days' written notice to the employer. The employer shall be under no obligation to pay such costs and expenses and, in the event of its failure to do so, the trustee shall be entitled to pay the same, or to be reimbursed for the payment thereof, from the Pension Fund.
5. Periodic Accounting. If a trustee is appointed, the Pension Fund shall be evaluated annually, or at more frequent intervals, by the trustee and a written accounting rendered as of each fiscal year end of the Fund and as of the effective date of any removal or resignation of the trustee and such additional dates as requested by the employer, showing the condition of the Fund and all receipts, disbursements and other transactions effected by the trustee during the period covered by the accounting, based on fair market values prevailing as of such date.
6. Value of the Pension Fund. All determinations as to the value of the assets of the Pension Fund and as to the amount of the liabilities thereof, shall be made by the employer or its appointed trustee, whose decisions shall be final and conclusive and binding on all parties hereto, the participants and beneficiaries and their estates. In making any such determination, the employer or trustee shall be entitled to seek and rely upon the opinion of or any information furnished by brokers, appraisers and other experts and shall also be entitled to rely upon reports as to sales and quotations, both on security exchanges and otherwise as contained in newspapers and in financial publications.

(Ord. 02-09-03, 9/9/2002, Art. IX)

§1-710. Amendment and Termination.

1. Amendment of the Plan. The employer may amend this Plan at any time or from time to time by an instrument in writing executed in the name of the employer under its municipal seal by officers duly authorized to execute such instrument and delivered to the Board; provided, however:
 - A. That no amendment shall deprive any participant or any beneficiary of a deceased participant of any of the benefits to which he is entitled under this Plan with respect to contributions previously made.

- B. That no amendment shall provide for the use of funds or assets held under this Plan other than for the benefit of employees and no funds contributed to this Plan or assets of this Plan shall, except as provided in subsection (5), ever revert to or be used or enjoyed by the employer.
 - C. That no amendment to the Plan which provides for a benefit modification shall be made unless the cost estimate described in §1-711(3) has been prepared and presented to the Board in accordance with the Act.
2. Termination of the Plan. The employer shall have the power to terminate this Plan in its entirety at any time by an instrument in writing executed in the name of the employer.
 3. Automatic Termination of Contributions. Subject to the provisions of the Act governing financially distressed municipalities, the liability of the employer to make contributions to the Pension Fund shall automatically terminate upon liquidation or dissolution of the employer, upon its adjudication as a bankrupt or upon the making of a general assignment for the benefit of its creditors.
 4. Distribution Upon Termination. In the event of the termination of the Plan, all amounts of vested benefits accrued by the affected participants as of the date of such termination, to the extent funded on such date, shall be non-forfeitable hereunder. In the event of termination of the Plan, the employer shall direct either that the Plan Administrator continue to hold the vested accrued benefits of participants in the Pension Fund in accordance with the provisions of the Plan (other than those provisions related to forfeitures) without regard to such termination until all funds have been distributed in accordance with the provisions or that the Plan Administrator immediately distribute to each participant an amount equal to the vested accrued benefit to the date. If there are insufficient assets in the Pension Fund to provide for all vested accrued benefits as of the date of Plan termination, priority shall first be given to the distribution of any amounts attributable to mandatory or voluntary employee contributions before assets are applied to the distribution of any vested benefits attributable to other sources hereunder. All other assets attributable to the terminated plan shall be distributed and disposed of in accordance with the provisions of applicable law and the terms of any instrument adopted by the employer which effects such termination.
 5. Residual Assets. If all liabilities to vested participants and any others entitled to receive a benefit under the terms of the Plan have been satisfied and there remain any residual assets in the Pension Fund, such residual assets remaining shall be returned to the employer insofar as such return does not contravene any provision of law and any remaining balance, in excess of employer contributions, shall be returned to the Commonwealth.
 6. Exclusive Benefit Rule. In the event of the discontinuance and termination of the Plan as provided herein, the employer shall dispose of the Pension Fund in accordance with the terms of the Plan and applicable law; at no time prior to the satis-

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fraction of all liabilities under the Plan shall any part of the corpus or income of the Pension Fund, after deducting any administrative or other expenses properly chargeable to the Pension Fund, be used for or diverted to purposes other than for the exclusive benefit of the participants in the Plan, their beneficiaries or their estates.

(Ord. 02-09-03, 9/9/2002, Art X)

§1-711. Funding Standard Requirements.

1. Actuarial Valuations. The Plan's actuary shall perform an actuarial valuation at least biennially unless the employer is applying or has applied for supplemental state assistance pursuant to §603 of the Act, whereupon actuarial valuation reports shall be made annually. Such biennial actuarial valuation report shall be made as of the beginning of each Plan year occurring in an odd-numbered calendar year, beginning with the year 1985. Such actuarial valuation shall be prepared and certified by an approved actuary, as such term is defined in the Act. The expenses attributable to the preparation of any actuarial valuation report or investigation required by the Act or any other expense which is permissible under the terms of the Act and which are directly associated with administering the Plan shall be an allowable administrative expense payable from the assets of the Pension Fund. Such allowable expenses shall include, but not be limited to, the following:
 - A. Investment costs associated with obtaining authorized investments and investment management fees.
 - B. Accounting expenses.
 - C. Premiums for insurance coverage on fund assets.
 - D. Reasonable and necessary counsel fees incurred for advice or to defend the fund.
 - E. Legitimate travel and education expenses for Plan officials; provided, however, that the municipal officials of the employer, in their fiduciary role, shall monitor the services provided to the Plan to ensure that the expenses are necessary, reasonable and benefit the Plan; and further provided, that the Plan Administrator shall document all such expenses item by item, and where necessary, hour by hour.
2. Duties of Chief Administrative Officer. Such actuarial reports shall be prepared and filed under the supervision of the Chief Administrative Officer. The Chief Administrative Officer of the Plan shall determine the financial requirements of the Plan on the basis of the most recent actuarial report and shall determine the minimum municipal obligation of the employer with respect to funding the Plan for any given Plan year. The Chief Administrative Officer shall submit the finan-

cial requirements of the Plan and the minimum municipal obligation of the employer to the Board annually and shall certify the accuracy of such calculations and their conformance with the Act.

3. **Benefit Plan Modifications.** Prior to the adoption of any benefit plan modification by the employer, the Chief Administrative Officer of the Plan shall provide to the Board a cost estimate of the proposed benefit plan modification. Such estimate shall be prepared by an approved actuary, which estimate shall disclose to the Board the impact of the proposed benefit plan modification on the future financial requirements of the Plan and the future minimum municipal obligation of the employer with respect to the Plan.

(Ord. 02-09-03, 9//9/2002, Art. XI)

§1-712. Miscellaneous Provisions.

1. **Employment Rights.** No employee of the employer or anyone else shall have any rights whatsoever against the employer or the Plan Administrator as a result of this Plan, except those expressly granted hereunder. Participation in this Plan shall not give any right to any employee to be retained in the employ of the employer, or shall interfere with the right of the employer to discharge any employee and to deal with such employee without regard to the effect such treatment might have upon participation in this Plan.
2. **Meaning of Certain Words.** For purposes of this Plan, the masculine gender shall include the feminine gender and the singular shall include the plural, and vice versa, in all cases wherever the person or context shall plainly so require. Headings of Sections and subsections are inserted only for convenience of reference and are not to be considered in the construction of the Plan.
3. **Information to be Furnished by the Employer.** The employer shall furnish to the Plan Administrator (and where applicable, the trustee) information in the employer's possession as the Plan Administrator and the trustee shall require, from time to time, to perform their duties under the Plan.
4. **Severability of Provisions.** Should any provision of this Plan be held to be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of this Plan, and the Plan shall be construed and enforced as if said illegal and invalid provisions had never been inserted herein.
5. **Incapacity of Participant.** If any participant shall be physically or mentally incapable of receiving or acknowledging receipt of any payment of pension benefits hereunder, the Plan Administrator, upon the receipt of satisfactory evidence that such participant is so incapacitated and that another person or institution is maintaining the participant and that no guardian or committee has been appointed for the participant, may provide for such payment of pension benefits hereunder to such person or institution so maintaining the participant, and any

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such payments so made shall be deemed for every purpose to have been made to such participant.

6. Pension Fund for Sole Benefits of Participants. The income and principal of the Pension Fund are for the sole use and benefit of the participants covered hereunder, and to the extent permitted by law, shall be free, clear and discharged from and are not to be in any way liable for debts, contracts or agreements, now contracted or which may hereafter be contracted, and from all claims and liabilities now or hereafter incurred by any participant or beneficiary.
7. Benefits for a Deceased Participant. If any benefit shall be payable under the Plan to or on behalf of a participant who has died, if the Plan provides that the payment of such benefits shall be made to the participant's estate, and if no administration of such participant's estate is pending in the court of proper jurisdiction, then the Plan Administrator, at its sole option, may pay such benefits to the surviving spouse of such deceased participant, or, if there is no surviving spouse, to such participant's then living issue, per stripes; provided, however, that nothing contained herein shall prevent the Plan Administrator from insisting upon the commencement of estate administration proceedings and the delivery of any such benefits to a duly appointed executor or administrator.
8. Assets of the Fund. Nothing contained herein shall be deemed to give any participant or beneficiary any interest in any specific property of the Pension Fund or any right except to receive such distributions as are expressly provided for under the Plan.
9. Personal Liability. Subject to the provisions of the Act and unless otherwise specifically required by other applicable laws, no past, present or future officer or agent of the employer or Plan Administrator shall be personally liable to any participant, beneficiary or other person under any provision of the Plan.
10. Construction of Document. This Plan may be executed and/or conformed in any number of counterparts, each of which shall be deemed an original and shall be construed and enforced according to the laws of the Commonwealth, excepting such Commonwealth's choice of law rules.

(Ord. 02-09-03, 9/9/2002, Art. XII)

§1-713. Deferred Retirement Option Plan

1. Definitions. The following words and phrases, when used in this Section, shall have the meanings given to them in this Section only, unless the context clearly indicates otherwise:

DROP — a deferred retirement option plan established as an optional form of benefit under the Plan and being operated by the Township of New Britain.

DROP PARTICIPANT — a retired participant of the New Britain Township Police Pension Plan who is eligible to participate in a DROP under Subsection 2A of this Section and who has elected to participate in a DROP under Subsection 2B of this Section.

DROP PARTICIPANT ACCOUNT — the participant's pension trust fund ledger account.

NORMAL RETIREMENT BENEFIT — the retirement benefit payable to a participant of a defined benefit pension plan determined pursuant to §1-704, Subsection 2, at the point in time when the participant satisfies the age and service requirements for full, unreduced retirement benefits.

2. Eligibility and Participation.

- A. Eligibility of Employee to Participate in DROP. An employee who is eligible for a normal retirement benefit under the Pension Plan or will be eligible for a normal retirement benefit under the Pension Plan prior to participation in the DROP is eligible to participate in the DROP by filing a written application with the Retirement Plan Administrator at least 30 days before the employee's effective date of retirement.
- B. Participation in DROP. An eligible participant may elect to participate in this DROP for a period of not less than 12 months, unless that participant dies or becomes disabled, or more than 48 months. Upon deciding to participate in a DROP, a participant must submit, on forms provided by the Township, all of the following:
 - (1) A binding and irrevocable letter of resignation from regular employment with the Township of New Britain which discloses the participant's intent to retire and specifies the participant's retirement date.
 - (2) A DROP Election Form, prepared by the New Britain Township Manager and/or the Plan Administrator, which is an irrevocable written election to participate in the DROP, which must: specify the effective date of DROP participation that shall be one day after the participant's specified retirement date; specify the DROP termination date which satisfies the limitation in this Section; be signed by the participant and the Chief Administrative Officer of the Plan; detail a DROP participant's rights and obligations under the DROP; and include an agreement to forgo:
 - (a) Active membership in the Plan;
 - (b) Any growth in the salary base used for calculating the normal retirement benefit; and

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- (c) Any additional benefit accrual for retirement purposes.
 - (3) The DROP participant shall be required to provide any other information required by the Township.
- C. **Effective Dates of DROP Participation.** A retired participant's effective date of participation in a DROP shall begin on the day following the effective date of the participant's regular retirement, and a retired participant's participation in a DROP shall end on the last day of the participation period as specified pursuant to Subsection 2B(2) of this Section.
- D. **DROP Participation Termination.** A DROP participant may change the DROP termination date to an earlier date, within the limitations of Subsection 2B of this Section, but may not change it to a later date than elected at the time of initial DROP participation. No penalty shall be imposed for early termination of DROP participation. Upon either early or regular termination of DROP participation, the DROP participant shall be separated from employment by the Township of New Britain, and the Plan shall pay the balance in the DROP participant's DROP participant account to the terminating participant as provided in Subsection 3D of this Section. The DROP participant shall be ineligible to re-enroll in the DROP thereafter, even if the former DROP participant is re-employed by the Township of New Britain with renewed active membership in the New Britain Township Police Pension Plan.
- E. **DROP Participant Contributions.** DROP participants shall neither be required nor permitted to pay contributions into the Plan during the DROP participation period.
3. **DROP Benefits.**
- A. **Fixed Retirement Benefits, Retirement Date and DROP Dates.**
- (1) Effective with the date of retirement, which must be the day before the effective date of DROP participation, the participant's monthly normal retirement benefit, as calculated under §1-704, Subsection 2, of the Plan, the participant's effective date of retirement and the participant's effective dates of beginning and terminating participation in the DROP shall be fixed. There shall be no further retirement benefit accruals, including but not limited to service increments, after the participant's effective date of retirement.
 - (2) By participating in the DROP, the participating officer understands and acknowledges that he or she must obtain his or her own professional legal and/or tax advice to determine and to analyze the propriety and impact of the participant's desired disposition of the DROP participant account balance under State, federal and local tax laws and participation in the DROP program itself. The participating offi-

cer further acknowledges that the Township assumes no responsibility with respect to the administration of the DROP program, including but limited to the performance or growth of the participant's DROP participant account balance, and the participant agrees to hold the Township harmless for any tax or other financial consequences, including the performance of investments, funds, or other financial vehicles, of the participant's participation in the DROP program, including the liquidation of the participant's DROP participant account at the conclusion of the participant's participation in the DROP program.

- B. Normal Retirement Benefit Payments and Accruals. The retired participant's monthly retirement benefit, including any applicable service increment benefit pursuant to §1-704, Subsection 6, and any interest earned thereon, shall be credited to the DROP participant's DROP participant account in the Pension Trust Fund. The account balance of an officer's DROP participant account shall generate the same rate of return and be credited with the same interest rate earned as the rate of return/performance of the overall Township Police Pension Fund; however, there is no guaranteed rate of return on the DROP participant account.
- C. DROP Participant Account. The monthly retirement benefits that would have been payable had the police officer elected to cease employment and receive a normal retirement benefit shall, upon the police officer commencing participation in DROP, be paid into the separate account established to receive the participant's monthly pension payments. This account shall be designated the DROP participant account. The sums deposited in an officer's DROP participant account shall be credited with the same rate of return/performance as that of the overall Police Pension Fund; however, there is no guaranteed rate of return on the DROP participant account.
- D. Payment of DROP Benefits. On the effective date of a DROP participant's termination of employment with the Township as a DROP participant, participation in the DROP shall cease; and the Plan shall calculate and pay to the participant the participant's total accumulated DROP benefits in the DROP participant's DROP participant account, subject to the following provisions:
 - (1) The terminating DROP participant or, if the participant is deceased, the participant's named beneficiary shall elect, on a form provided by the Plan Administrator, to receive payment of the DROP benefits in accordance with one of the following options:
 - (a) The balance in the DROP participant's DROP participant account, less withholding taxes, if any, remitted to the Internal Revenue Service, shall be paid in cash, within 45 days of the receipt of the election form, by the Plan from the account to the DROP participant or surviving beneficiary.

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- (b) The balance in the DROP participant's DROP participant account shall be paid, within 45 days of the receipt of the election form, by the Plan from the account directly to the custodian of an eligible retirement plan as defined in Section 402(c)(8)(B) of the Internal Revenue Code of 1986 or, in the case of an eligible rollover distribution to the surviving spouse of a deceased participant, to an eligible retirement plan which is an individual retirement account or an individual retirement annuity as described in Section 402(c)(9) of the Internal Revenue Code of 1986. If the participant selects the rollover option, he or she must also submit the appropriate paperwork from the individual retirement account (IRA) custodian within 20 days following termination of employment with the Township as a DROP participant.
 - (c) If the DROP participant or beneficiary fails to elect a method of payment within 60 days after the participant's termination date, the Plan shall pay the balance directly to the custodian of an eligible retirement plan as provided in Subsection 3D(1)(b) of this Section.
 - (d) The form of payment selected by the DROP participant or surviving beneficiary shall comply with the minimum distribution requirements of the Internal Revenue Code of 1986.
- (2) The terminating DROP participant shall commence receipt of the monthly retirement benefit directly starting with the first day of the month coincident with or next following termination of employment with the Township.
- E. Pre-Retirement Benefits. Except for those benefits specified in Subsection 2B(2) of this Section as forgone by the member, a DROP participant shall be eligible for any employee benefits provided to active employees before retirement by the Township of New Britain and those otherwise provided by law, including but not limited to benefits under the Act of June 2, 1915 (P.L. 736, No. 338), known as the "Workers' Compensation Act;" the Act of June 28, 1935 (P.L. 477, No. 193), referred to as the "Enforcement Officer Disability Benefits Law;" the Act of December 5, 1936 (2nd Sp. Sess., 1937, P.L. 2897, No. 1), known as the "Unemployment Compensation Law;" the Act of June 24, 1976 (P.L. 424, No. 101), referred to as the "Emergency and Law Enforcement Personnel Death Benefits Act;" and the Public Safety Officers' Benefit Act of 1976 (Public Law 94-430, 42 U.S.C. § 90 stat. 1347).

4. DROP Death Benefits.

- A. DROP Benefits for Designated Beneficiary. If a DROP participant dies, the participant's designated beneficiary shall be entitled to apply for and receive

the benefits accrued in the DROP participant's DROP participant account as provided in Subsection 3D of this Section.

- B. Final Credited Monthly Retirement Benefit. The monthly retirement benefit accrued in the DROP participant's DROP participant account during the month of a DROP participant's death shall be the final monthly retirement benefit credited for DROP participation.
 - C. DROP Eligibility Terminates upon Participant's Death. A DROP participant's eligibility to participate in the DROP terminates upon the death of the DROP participant. If a DROP participant dies on or after the effective date of participation in the DROP, but before the initial monthly retirement benefit of the participant accruable for the month has accrued in the DROP participant's DROP participant account, the Township of New Britain shall pay the monthly retirement benefit as though the participant had not elected DROP participation and had died after the employee's effective date of retirement but before receipt of the retired participant's first normal retirement benefit.
 - D. Drop Eligibility and Death of Participant. If a DROP participant dies during the DROP period, the participant's designated beneficiary shall have the same rights as the member to withdraw the account balance. The first month following the participant's death, any surviving spouse or dependent child of the participant shall receive the survivor benefit provided under the Plan.
 - E. DROP Participant Killed in Service. If a DROP participant dies during the DROP period, then the DROP participant's designated beneficiary shall be entitled to a lump-sum payment of the DROP participant account balance, whether or not that designated beneficiary is also eligible for other Killed in Service Survivor Benefits. [Ord. 2010-09-01]
 - F. Subsequent Employment and Renewal of Active Membership. After both the termination of the participant's employment as a DROP participant by the Township of New Britain and the expiration of the DROP participation period, a former DROP participant shall be subject to such re-employment limitations as other retired employees and shall be eligible for renewed membership as an active participant in the Plan, and the DROP participant shall be ineligible to re-enroll in the DROP pursuant to Subsection 2D of this Section.
5. DROP Disability Benefits.
- A. Disability During DROP. If a police officer becomes temporarily incapacitated during his/her participation in the DROP, that police officer shall continue to participate in the DROP program as if fully employed. The police officer shall receive disability pay in the same amount as disabled police officers that are not participating in the DROP. In no event shall a police officer

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on temporary disability have the ability to draw from his or her DROP participant account. However, notwithstanding any other provision in this Section, if a police officer is disabled and has not returned to work as of his required resignation date, or if the officer is honorably discharged prior to his or her resignation date, then such resignation shall take precedence over all other provisions herein, and said police officer shall be required to resign. If a police officer becomes permanently disabled during the DROP period, the officer shall be honorably discharged from employment on the date that the police officer may obtain the contents of his/her DROP participant account and, thereafter, commence receiving his/her normal retirement benefit.

6. Administrative Provisions.

A. DROP Participant Account.

- (1) As the Township of New Britain establishes a DROP, it shall establish a DROP participant account as a separate ledger account in its Pension Trust Fund for each DROP participant. The account balance shall be accounted for separately but need not be physically segregated from other Pension Trust Fund assets. A separate DROP participant account that generates the same rate of return and will be credited with the same interest rate earned as the rate of return/performance of the overall Township Police Pension Fund shall be established for each DROP participant.
- (2) While a retired participant is employed as a DROP participant, the participant's monthly retirement benefit, and interest credited with the same interest rate earned as the rate of return/performance of the overall Township Police Pension Fund, shall be credited to the DROP participant account under Subsection 3B of this Section. When a DROP participant terminates employment with the Township of New Britain as a DROP participant, the participant's total accumulated benefits shall be calculated, charged to the DROP participant account and paid out of the Pension Trust Fund under Subsection 3D of this Section.
- (3) The balance in the DROP participant's account shall be excluded from actuarial valuation reports of the Plan prepared and filed under this Subpart. The DROP participant's account shall be held in trust for the exclusive benefit of DROP retired participants who are or were DROP participants and for the beneficiaries of these participants or an alternate payee pursuant to Subsection 3D of this Section.

- #### B. Forfeiture of Benefits.
- Notwithstanding a police officer's participation in the DROP Plan, a police officer who is convicted of or pleads guilty to engaging in criminal misconduct which constitutes a "crime related to public office or public employment," as that phrase is defined in Pennsylvania's Pension Forfeiture Act, 43 P.S. §§1311-1314, and interpreted thereunder, shall for-

feit his/her right to receive a pension, including any amounts currently deposited in the DROP participant account. In such case, the police officer shall only be entitled to receive the contributions, if any, made by the police officer to the fund, without interest.

- C. Effect of Provisions. A police officer's election to participate in the DROP program shall in no way be construed as a limitation on the Township's right to suspend or to terminate a police officer for just cause or to grant the police officer an honorable discharge based upon a physical or mental inability to perform his/her duties.
- D. Change in Law. In the event that the DROP provision is declared invalid or illegal by a court of competent jurisdiction or through an administrative determination of the Office of the Auditor General, the police officers shall have the right to bargain in accordance with Act 111 over the impact of the deletion of this benefit, but not the decision to delete the benefit itself. It is expressly understood that any such bargaining shall not involve bargaining over a replacement provision.

(Added by Ord. 2006-06-01, 6/12/2006; and as amended by Ord. 2010-09-01, 9/13/2010, §II)

B. Non-Uniformed Employees Pension Plan.

§1-721. Definitions.

The following words and phrases as used in this subpart shall have the meanings set forth in this Section, unless a different meaning is otherwise clearly required by the context:

ACCRUED BENEFIT—as of any given date, the benefit determined under §1724(2), which amount shall be based upon the participant's credited service determined as of such computation date and which shall represent the monthly benefit which would be payable in the normal form as of the participant's attainment of normal retirement age. Notwithstanding anything contained herein to the contrary, in no event shall credited service exceed 40 years. The accrued benefit shall not exceed the maximum limitation, determined as of the date of computation provided under §1-724(6). All accrued benefits are subject to all applicable limitations, reductions, offsets and actuarial adjustments provided pursuant to the terms of the Plan prior to the actual payment thereof.

ACCUMULATED CONTRIBUTIONS—the total amount contributed by a participant to this Plan or its predecessor by way of payroll deduction or otherwise, plus simple interest credited at the rate of 6% per annum, from the mid-point of the Plan year when paid into the pension fund until the first day of the month in which a distribution of accumulated contributions occurs or the payment of retirement benefits commences.

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ACT—the Municipal Pension Plan Funding Standard and Recovery Act which was enacted as Act 205 of 1984, as amended, 53 P.S. §895.101 et seq.

ACTUARIAL EQUIVALENT—two forms of payment of equal actuarial present value on a specified date. The actuarial present value shall be determined by use of the UP-1984 Mortality Table and 7% interest unless otherwise specifically provided herein.

ACTUARY—the person, partnership, association or corporation which at any given time is serving as actuary; provided, that such actuary must be an “approved actuary” as defined in the Act.

ANNIVERSARY DATE—January 1 of a given plan year.

AUTHORIZED LEAVE OF ABSENCE—any leave of absence granted, in writing, by the employer for reasons including, but not limited to, accident, sickness, pregnancy or temporary disability, education, training, jury duty or such other reasons as may necessitate authorized leave from active employment.

BENEFICIARY—the person or entity designated, in writing, by the participant to receive any benefits which may be due should the participant die prior to becoming entitled to a retirement benefit. In the event that a participant does not designate a beneficiary or the beneficiary does not survive the participant, the beneficiary shall be the surviving spouse, or if there is no surviving spouse, the issue per stirpes, or if there is no surviving issue, the estate; but if no personal representative has been appointed, to those persons who would be entitled to the estate under the intestacy laws of the Commonwealth of Pennsylvania if the participant had died intestate and a resident of Pennsylvania.

BOARD—the Board of Supervisors of the Township of New Britain.

CHIEF ADMINISTRATIVE OFFICER—the person designated by the Township who has the primary responsibility for the execution of the administrative affairs for the Plan.

CODE—the Internal Revenue Code of 1986, as amended.

COMMITTEE—the Board of Trustees Committee as determined pursuant to §1-729(2).

COMMONWEALTH—the Commonwealth of Pennsylvania.

COMPENSATION—the total salary or wages actually paid to an employee by the employer for active services rendered in employment as reported on Internal Revenue Service Form W-2 and shall exclude extra or additional forms of remuneration including, but not necessarily limited to, amounts paid as allowance or reimbursement for expenses or payments made to an employee welfare or benefit

plan on behalf of the employee and unused leave time earned and accrued. Compensation shall be limited on an annual basis to the amount specified for government plans pursuant to Code §401(a)(17), as adjusted under Code §415(d).

CREDITED SERVICE — a participant's total years of service calculated from the participant's date of hire. Service of six or more calendar months shall be counted as a full year and service of less than six calendar months shall be disregarded. Credited service shall include each period of active employment and each period of time during which an employee is on an authorized leave of absence. Credited service shall not include any period of time during which an employee failed or refused to make required employee contributions pursuant to §1-723(1).

EMPLOYEE — any individual employed by the employer as a regular, full-time employee who is entitled to receive a regular stated salary or wage, excluding any pension, retainer or fee under contract. Any police officer, fireman or individual covered under another retirement plan or program sponsored by the employer shall be excluded as an employee under this Plan.

EMPLOYER — Township of New Britain, Bucks County, Pennsylvania.

EMPLOYMENT — the period of time for which an employee is directly or indirectly compensated or entitled to compensation by the employer for the performance of duties as an employee. Employment shall exclude any period of time in which services are performed as an independent contractor paid on a contractual or fee basis.

- A. Employment shall include any period of voluntary or involuntary military service with the armed forces of the United States of America; provided, that the participant has been employed as a regular full-time employee of the employer for a period of at least six months immediately prior to the period of military service and the participant returns to employment within six months following discharge from military service or within such longer period during which employment rights are guaranteed by applicable law or under the terms of a collective bargaining agreement with the employer.
- B. Employment shall also include any period of qualified military service as determined under the requirements of Chapter 43 of Title 38, United States Code; provided, that the participant returns to employment following such period of qualified military service and the participant makes payment to the Plan in an amount equal to the participant contributions that would otherwise have been paid to the Plan, if required, during such period of qualified military service for benefits derived from participant contributions. The amount of participant and/or employer contributions shall be based upon an estimate of the compensation that would have been paid to the participant during such period of qualified military service as determined by the average compensation paid to the participant during the 12 months immediately preceding the period of qualified military service. The amount of participant contributions calculated must be paid into the Plan before the

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end of the period that begins on the date of re-employment and ends on the earlier of the date that ends the period that has a duration of three times the period of qualified military service or the date that is five years after the date of re-employment.

FINAL MONTHLY AVERAGE COMPENSATION — the average monthly salary earned by the participant and paid by the employer during the final 24 consecutive months of active rendering of service in employment. Only full months of active rendering of service shall be included in the averaging period. If any single sum or extraordinary payments are made to the participant which are not directly attributable to active employment during the averaging period including, but not limited to, payment for accumulated sick leave or payment of a back pay damage award, those payments shall be excluded for the purpose of determining the participant's final monthly average compensation. Final monthly average compensation shall be calculated by taking into account only those periods during which an employee receives a salary, as that term is defined in this Section. Therefore, for example, the final monthly average compensation for a participant who receives disability benefits from this Plan or who is voluntarily or involuntarily serving in the United States armed forces during the final 24 months of service shall be based on the period during which the employee last received salary (as defined in this subsection) from the employer. Salary used to determine final monthly average compensation shall be limited on an annual basis to the amount specified for government plans in accordance with Code §401(a)(17), as adjusted under Code §415(d).

INSURER or INSURANCE COMPANY — a legal reserve life insurance company authorized to do business in the Commonwealth of Pennsylvania.

LATE RETIREMENT DATE — the first day of the month coincident with or next following the date on which the participant retires from employment on which the payment of retirement benefits pursuant to the Plan shall commence.

MINIMUM MUNICIPAL OBLIGATION — the minimum obligation of the municipality as determined by the actuary pursuant to the provisions of the Act.

NORMAL RETIREMENT AGE — the date on which the participant attains age 60 and completes at least 10 years of credited service.

NORMAL RETIREMENT DATE — the first day of the month coincident with or next following the date on which the participant retires from employment after attaining normal retirement age.

NOTICE or ELECTION — a written document prepared in the form specified by the Plan Administrator. If such notice or election is to be provided by the employer or the Plan Administrator, it shall be mailed in a properly addressed envelope, postage prepaid, to the last known address of the person entitled thereto, on or before the last day of the specified notice or election period. If such notice or election is to be provided to the employer or the Plan Administrator, it must be re-

ceived by the intended recipient on or before the last day of the specified notice or election period.

PARTICIPANT — an employee who has met the eligibility requirements to participate in the plan as provided in §1-722(2) and who has not for any reason ceased to be a participant hereunder.

PENSION FUND — the employee Pension Fund administered under the terms of this plan and which shall include all money, property, investments, policies and contracts standing in the name of the Plan.

PLAN — the plan set forth herein, as amended, from time to time, and designated as the New Britain Township Non-Uniformed Employees Pension Plan.

PLAN ADMINISTRATOR — the committee or individual appointed for the purpose of supervising and administering the provisions of the plan. In the event that no such appointment is made, the Plan Administrator shall be the Board.

PLAN YEAR — the twelve-month period beginning January 1 and ending on December 31 of each year.

POLICY or CONTRACT — a retirement annuity or retirement income endowment policy (or a combination of both) or any other form of insurance contract or policy which shall be deemed appropriate in accordance with the provisions of applicable law.

RESTATEMENT DATE — September 9, 2002, the date upon which this amendment and restatement of the Plan becomes effective.

(Ord. 02-09-04, 9/9/2002, Art I)

§1-722. Participation in the Plan.

1. **Eligibility Requirements.** Each employee shall become a participant on the first day of employment; provided, the participant completes all necessary forms authorizing payroll deduction of employee contributions and all prerequisites to participation under this Plan shall have been fulfilled including, but not limited to, completion of all forms required by the Plan Administrator. Each employee who was a participant in the Plan on the day prior to the restatement date shall continue to be a participant on and after the restatement date subject to the terms and conditions of the Plan as set forth herein.
2. **Participation Requirements.** Each participant hereunder shall be required to make contributions to the Plan, as provided in §1-723(1) hereof, and shall execute and complete any enrollment or application forms as required by the Plan Administrator authorizing payroll deduction of such contributions. No employee shall be

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eligible to participate hereunder until any and all such forms are completed and delivered to the Plan Administrator.

3. Reentry. Each person who has previously been an active participant in the plan and who shall have ceased being an active participant for any reason shall be eligible to participate pursuant to subsection (1) as of the date such eligibility requirements are met.
4. Designation of Beneficiary. Any employee who becomes a participant hereunder shall provide a written notice in the manner prescribed by the Plan Administrator which designates a beneficiary at the time participation commences. The participant's election of any such beneficiary may be rescinded or changed, without the consent of the beneficiary, at any time; provided, the participant provides the written notice of the changed designation to the Plan Administrator in the manner prescribed by the Plan Administrator. Any designation of a beneficiary made in any manner other than one acceptable to the Plan Administrator shall be null and void and have no effect under the terms of this Plan.
5. Change in Status. A participant who remains in the service of the employer but ceases to be an employee eligible for participation hereunder, shall have no further benefit accruals occur until the individual again qualifies as a participant hereunder eligible to resume such accrual of benefits.
6. Leave of Absence. During any leave of absence that is not an authorized leave of absence, a participant shall be deemed an inactive participant and shall not be given credit for years of service for vesting, nor shall any benefits accrue hereunder. If the employee is not re-employed by the expiration of the leave of absence, participation in the Plan shall cease on the date on which the leave of absence commenced.
7. Record Keeping. The employer shall furnish the Plan Administrator with such information as will aid the Plan Administrator in the administration of the Plan. Such information shall include all pertinent data on employees for purposes of determining their eligibility to participate in this Plan.

(Ord. 02-09-04, 9/9/2002, Art. II)

§1-723. Contributions.

1. Participant Contributions. As a condition of participation in the Plan, each employee shall contribute to the Plan, by payroll deduction. Each participant shall contribute an amount equal to 5% of the participant's compensation. Each employee must have executed the appropriate documents authorizing the employer to deduct the contributions from the pay of the employee. Such contributions shall be required until such time as the employer, consistent with any provisions of applicable law and the actuarial needs of the Plan, shall change or eliminate the requirement. A participant who is on an authorized leave of absence shall have the

obligation to contribute hereunder waived during the period of such authorized leave of absence. As of January 1, 2001, the employer shall "pick-up" the employee contributions in accord with §414(h)(2) of the Internal Revenue Code.

2. **Employer Contributions.** The actuary, in accordance with the Act, shall determine the minimum municipal obligation of the employer. The employer shall pay into the Pension Fund, by annual appropriations or otherwise, the contributions necessary to satisfy the minimum municipal obligation. Notwithstanding the foregoing, nothing contained herein shall preclude the employer from contributing an amount in excess of the minimum municipal obligation.
3. **State Aid.** General Municipal Pension System State Aid or any other amount of State aid received by the employer in accordance with the Act from the Commonwealth may be deposited into the Pension Fund governed by this Plan in amounts determined by the Board and shall be used to reduce the amount of the minimum municipal obligation of the employer.
4. **Gifts.** The Board is authorized to take by gift, grant, devise or otherwise any money or property, real or personal, for the benefit of the Plan and cause the same to be held as a part of the pension fund. The care, management, investment and disposal of such amounts shall be vested in the Board or its delegate, the Plan Administrator, subject to the direction of the donor and not inconsistent with applicable laws and the terms of the Plan.
5. **Employer Reversion.** At no time shall it be possible for the Plan assets to be used for, or diverted to, any purpose other than for the exclusive benefit of the participants and their beneficiaries, including payment of any reasonable Plan expenses. Notwithstanding the foregoing, any contributions made by the employer may be returned to the employer if the contribution was made due to a mistake and the contribution is returned within one year of the date on which the discovery of the mistaken payment of the contribution was made or reasonably should have been made or the plan is terminated, as provided in §1-730.

(Ord. 02-09-04, 9/9/2002, Art III)

§1-724. Retirement Benefits.

1. **Normal Retirement.** Each participant shall be entitled to a normal retirement benefit after retirement on or after the participant has attained normal retirement age.
2. **Normal Retirement Benefit.** A participant who retires upon attainment of normal retirement age shall be entitled to receive a monthly retirement benefit in an amount equal to 1 1/4% of the participant's final monthly average compensation multiplied by the participant's credited service paid in the normal form commencing on the first day of the month coincident with or next following the date of re-

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tirement. For purposes of subsection (1), credited service shall not exceed 40 years.

3. **Late Retirement.** A participant may continue in employment beyond the attainment of normal retirement age subject to the employer's rules and regulations regarding retirement age. If a participant who has met the requirement of subsection (1) continues in employment beyond normal retirement age, there shall be no retirement benefits paid until employment ceases and the participant's retirement actually begins. The retirement benefit of a participant who continues employment after attainment of normal retirement age shall be calculated in accordance with subsection (2) on the basis of the final monthly average salary as of such participant's actual retirement and years of service accumulated as of the normal retirement date. Such benefit payments shall commence on the participant's late retirement date.
4. **Maximum Benefit Limitations.** Notwithstanding any provision of this Plan to the contrary, no benefit provided under this Plan attributable to contributions of the employer shall exceed, as an annual amount, the amount specified in Code §415(b)(1)(A) as adjusted pursuant to Code §415(d), assuming the form of benefit shall be a straight life annuity (with no ancillary benefits). The limitations described in this subsection shall be governed by the following conditions and definitions:
 - A. Benefits paid or payable in a form other than a straight life annuity (with no ancillary benefits) or where the employee contributes to the Plan or makes rollover contributions shall be adjusted on an actuarially equivalent basis to determine the limitation contained herein.
 - B. In the case of a benefit which commences prior to the attainment of age 62 by the participant, the limitation herein shall be adjusted on an actuarially equivalent basis to the amount determined pursuant to this Section commencing at age 62; however, the reduction shall not reduce the limitation below \$75,000 for a benefit commencing at or after age 55, or if the benefit commences prior to attainment of age 55 the amount which is actuarially equivalent to a benefit of \$75,000 commencing at age 55; however, in the case of a qualified participant (a participant with respect to whom a period of at least 15 years of service, including applicable military service, as a full-time employee of a police or fire department is taken into account in determining the amount of benefit), the limitation contained herein shall not reduce the limitation to an amount less than the amount specified pursuant to Code §415(b)(2)(G) and such amount shall be adjusted pursuant to Code 415(d).
 - C. In the case of a benefit which commences after attainment of age 65 by the participant, the limitation herein shall be adjusted on an actuarially equivalent basis to the amount determined herein commencing at age 65.

- D. Benefits paid to a participant which total less than \$10,000 from all defined benefit plans maintained by the employer expressed as an annual benefit shall be deemed not to exceed the limitation of this Section; provided, that the employer has not at any time maintained a defined contribution plan in which the participant has participated; however, in the case of a participant who is not receiving a disability retirement benefit pursuant to §1-725(2), with fewer than 10 years of participation, the limitation expressed in this subsection shall be reduced by 1/10 for each year of participation less than 10 but in no event shall this limitation be less than \$1,000.
 - E. The limitations expressed herein shall be based upon plan years for calculation purposes, shall be applied to all defined benefit plans maintained by the employer as one defined benefit plan and to all defined contribution plans maintained by the employer as one defined contribution plan, and shall be applied and interpreted consistent with Code §415 and regulations thereunder as applicable to government plans in general and this Plan in particular.
 - F. In the case of a disability retirement benefit under §1-726(2), the adjustment under subsection (B) hereof shall not apply and the applicable limitation shall be the limitation contained herein without regard to the age of the benefit recipient.
- 5. Incorporation of Code §415 by Reference. Notwithstanding anything contained in subsection (6) to the contrary, the limitations, adjustments and other requirements prescribed in subsection (6) shall at all times comply with the provisions of Code §415 and the regulations thereunder (as such apply to governmental plans), the terms of which are specifically incorporated herein by reference.
 - 6. Retired Participants. Any participant who shall have retired prior to the restatement date shall not have the benefit altered in any way by the provisions of this amended and restated Plan, except where otherwise expressly provided herein. Such retired participants shall continue to have their benefits governed by the terms of the plan in effect on the day preceding the restatement date. Any participant who shall have terminated employment and elected to receive a deferred retirement benefit under §1-728(2) shall have such benefit determined based upon the provisions of the plan in effect as of the date of such termination of employment and shall not have the benefit altered by the provisions of this amended and restated Plan.
 - 7. Limitation of Liability. Nothing contained herein shall obligate the employer, the Plan Administrator, any fiduciary or any agent or representative of any of the foregoing, to provide any retirement or other benefit to any participant or beneficiary which cannot be provided from the assets available in the Pension Fund, whether such benefits are in pay status or otherwise payable under the terms of the Plan. The Board retains the right to amend or terminate this plan consistent with applicable law at any time, with or without cause and whether or not such action directly or indirectly results in the suspension, reduction or termination of

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any benefit payable under the Plan or in pay status, and without liability to any person for any such action.

8. **Personal Right of Participant.** The right to receive any benefits under this Plan is a personal right of the participant and shall expire upon the death of the participant. No heir, legatee, devisee, beneficiary, assignee or other person claiming by or through a participant shall have any interest in any benefits hereunder unless clearly and expressly so provided by the terms of this Plan or the provisions of applicable law. A participant's election, failure to make an election or revocation of an election hereunder shall be final and binding on all persons.

(Ord. 02-09-04, 9/9/2002, Art. IV)

§1-725. Payment of Benefits.

1. **Normal Form of Benefit Payment.** The normal form for payment of retirement benefits shall be a monthly annuity for the life of the participant.
2. **Optional Form.** The automatic form of payment of retirement benefits shall be the normal form specified in subsection (1), unless a participant elects to receive benefits in another form as provided herein. Each optional form of benefit payment shall be the actuarial equivalent of the normal form. A participant who retires hereunder may elect, by giving written notice to the employer at least 30 days prior to the date retirement benefit payments shall commence, to receive payment in one of the optional forms of payment hereafter set forth:
 - A. **Joint and Survivor Annuity.** In lieu of receiving a retirement benefit paid in the normal form, a participant may elect to receive the benefit in the form of a joint and survivor annuity which shall provide monthly benefit payments to the participant for life and after the death of the participant shall occur monthly payments shall be made to the beneficiary designated by the participant in an amount equal to 50%, 62½% or 100% of the monthly amount paid to the participant, whichever the participant shall have elected. If the beneficiary shall die before the participant but after retirement benefit payments have commenced hereunder, there shall be no additional payments made after the death of the participant shall occur.
 - B. **Life Annuity with Period Certain.** In lieu of receiving a retirement benefit paid in the normal form, a participant may elect to receive the benefit in the form of a life annuity with period certain which shall provide monthly benefit payments to the participant for life, but if the death of the participant shall occur before the period certain payments have been paid, then the monthly payments shall continue to the beneficiary designated by the participant until the total number of payments made to the participant and beneficiary combined shall be equal to the period certain. The participant may elect a period certain of 120 months or 180 months. If the participant shall die after receiving monthly payments equal to or greater than the pe-

riod certain there shall be no additional payments made after the death of the participant shall occur.

3. Commencement of Benefits. A participant may elect to commence receiving distribution of retirement benefit payments as of the early, normal or late retirement date. A participant must complete an application for benefits in the manner prescribed by the Plan Administrator and deliver such application to the Plan Administrator at least 30 days prior to the date on which benefit payments shall commence. Notwithstanding anything contained herein to the contrary, no retirement benefit payments or any other payments shall be due or payable on or before the date that is 30 days after the date the Plan Administrator receives the application for benefits.
4. Required Distributions.
 - A. Notwithstanding any other provision of this Plan, the entire benefit of any participant who become entitled to benefits prior to death shall be distributed either:
 - (1) Not later than the required beginning date, or
 - (2) Over a period beginning not later than the required beginning date and extending over the life of such participant or over the lives of such participant and a designated beneficiary (or over a period not extending beyond the life expectancy of such participant or the joint life expectancies of such participant and a designated beneficiary).

If a participant who is entitled to benefits under this Plan dies prior to the date when the entire interest has been distributed after distribution of the benefits has begun in accordance with subsection (2) above, the remaining portion of such benefit shall be distributed at least as rapidly as under the method of distribution being used under subsection (2) as of the date of death.

- B. If a participant who is entitled to benefits under this Plan dies before distribution of the benefit has begun, the entire interest of such employee shall be distributed within five years of the death of such employee, unless the following sentence is applicable. If any portion of the employee's interest is payable to (or for the benefit of) a designated beneficiary, such portion shall be distributed over the life of such designated beneficiary (or over a period not extending beyond the life expectancy of such beneficiary) and such distributions begin not later than one year after the date of the employee's death or such later date as provided by regulations issued by the Secretary of the Treasury, then for purposes of the five-year rule set forth in the preceding sentence, the benefit payable to the beneficiary shall be treated as distributed on the date on which such distributions begin. Provided, however, that notwithstanding the preceding sentence, if the designated beneficiary is the surviving spouse of the participant, then the date on which dis-

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tributions are required to begin shall not be earlier than the date upon which the employee would have attained age 70 1/2; and further provided that if the surviving spouse dies before the distributions to such spouse begin, this subsection shall be applied as if the surviving spouse were the employee.

C. For purposes of this Section, the following definitions and procedures shall apply:

- (1) "Required beginning date" shall mean April 1 of the calendar year following the later of the calendar year in which the employee attains age 70 1/2 or the calendar year in which the employee retires.
- (2) The phrase "designated beneficiary" shall mean any individual designated by the employee under this Plan according to its rules.
- (3) Any amount paid to a child shall be treated as if it had been paid to the surviving spouse if such amount will become payable to the surviving spouse upon such child's reaching majority (or other designated event permitted under regulations issued by the Secretary of the Treasury).
- (4) For purposes of this Section, the life expectancy of an employee and/or the employee's spouse (other than in the case of a life annuity) may be redetermined but not more frequently than annually.

5. Direct Rollovers.

A. This subsection applies to distributions made on or after December 31, 2001. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this subsection, a distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an eligible rollover distribution that is equal to at least \$500 paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

B. For purposes of this subsection, the following definitions shall apply:

- (1) "Eligible rollover distribution" is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary or for a specified period of 10 years or more, any distribution to the extent such distribution is required under Code §401(a)(9) and the portion of any distribution that is not includible in gross income (determined without regard to the ex-

clusion for net unrealized appreciation with respect to employer securities).

For purposes of the direct rollover provisions in this subsection of the Plan, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions that are not includible in gross income. However, such portion may be paid only to an individual retirement account or annuity described in §408(a) or (b) of the Code, or to a qualified defined contribution plan described in §§401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

- (2) "Eligible retirement date" is a qualified trust described in Code §401(a), an individual retirement account described in Code §408(a), an individual retirement annuity described in Code §408(b), an annuity plan described in Code §403(a), an annuity contract described in Code §403(b), an eligible plan under §457(b) of the Code which is maintained by a state, political subdivision of a state or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan.
 - (3) "Distributee" includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a Qualified Domestic Relations Order as defined in Code §414(p), are distributee's with regard to the interest of the spouse or former spouse.
 - (4) "Direct rollover" is a payment by the Plan to the eligible retirement plan specified by the distributee.
6. Assignment. The pension benefit payments prescribed herein shall not be subject to attachment, execution, levy, garnishment or other legal process and shall be payable only to the participant or designated beneficiary and shall not be subject to assignment or transfer.
 7. Non-Duplication of Benefit. To avoid any duplication of benefits, a participant who is receiving a retirement benefit under the Plan and who shall resume employment shall have benefit payments suspended until the first day of the month coincident with or next following the date such employment shall cease. Upon resumption of benefit payments, such participant shall receive the greater of the amount of the suspended benefit or the amount of benefit based upon final monthly average salary and aggregate service as of the date that such period of resumed employment shall cease.

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(Ord. 02-09-04, 9/9/2002, Art. V)

§1-726. Termination of Employment.

1. **Rights of Terminated Employees.** A participant who shall cease to be an employee except as otherwise hereinbefore provided shall have all interest and rights under this Plan limited to those contained in the following subsections of this Section.
2. **Distribution of Accumulated Contributions.** A participant whose employment with the employer ceased for any reason other than death or disability prior to attainment of an early or normal retirement age shall only be entitled to receive a distribution of accumulated contributions. Upon receipt of such accumulated contributions, said participant and his or her beneficiary shall not be entitled to any further payments from the Plan.
3. **Deferred Retirement Benefit.** A participant whose employment shall terminate for any reason other than due to death or total and permanent disability prior to attainment of early or normal retirement age shall be entitled to receive a deferred vested benefit in lieu of a distribution of accumulated contributions under subsection (2). The election hereunder shall be made within 90 days of the date on which the participant's employment shall cease or shall be forever waived and a distribution pursuant to subsection (2) shall occur. Such a deferred vested benefit shall be in an amount equal to the participant's normal retirement benefit as of the date employment terminates and multiplied by the applicable vested percentage, a schedule of which is set forth below:

Participant's Years of Service	Vested Percentage
Less than 4 years	0%
4, but less than 5 years	40%
5, but less than 6 years	50%
6, but less than 7 years	60%
7, but less than 8 years	70%
8, but less than 9 years	80%
9, but less than 10 years	90%
10 or more years	100%

Such a deferred retirement benefit shall commence as of the first day of the month coincident with or next following the date on which the participant's normal retirement age would be attained if the participant continued in employment until such date, when not vested in any portion of the accrued benefit derived from employer contributions shall cease to be a participant hereunder and shall not be entitled to any benefits under the Plan derived from employer contributions.

4. Forfeitures. A participant who terminates employment with the employer at a time a terminated participant who shall have made employee contributions to the Plan shall have the accumulated contributions distributed to the beneficiary of the participant, if the participant dies prior to receipt of the accumulated contributions.

(Ord. 02-09-04, 9/9/2002, Art. VI)

§1-727. Death Benefits.

1. Death of Participant. Upon the occurrence of the death of a participant, there shall be benefits payable in accordance with the following subsections of this Section.
2. Death Prior to Retirement Eligibility. A benefit shall be payable to the beneficiary of a participant who shall die prior to becoming eligible to retire hereunder or who shall die before commencing receipt of retirement benefit payments and without eligibility for a survivor benefit hereunder, in a single payment in an amount equal to the accumulated contributions as of the date of death of the participant.
3. Death of Participant After Retirement. In the event that a participant shall die after the receipt of any benefit payments under the plan, the beneficiary shall be entitled to a benefit only to the extent and in the manner consistent with the provisions of the form of payment of benefits selected by the participant pursuant to the provisions of this Plan.
4. Survivor Benefit. If a participant shall die after completion of at least 10 years of credited service and prior to commencement of retirement benefit payments hereunder, a survivor benefit shall be paid to the surviving spouse, if any, of the participant in an amount equal to 50% of the participant's accrued benefit as of the date of death. The survivor benefit shall be paid monthly to the surviving spouse until the date of death of the surviving spouse. Upon the occurrence of the death of the surviving spouse, there shall be no other benefits due or payable under this Plan.

(Ord. 02-09-04, 9/9/2002, Art. VII)

§1-728. Administration.

1. Plan Administrator. The Plan Administrator may be the Committee or the individual appointed by the Board who shall have the power and authority to do all acts and to execute, acknowledge and deliver all instruments necessary to implement and effectuate the purpose of this Plan; provided, that the Board chooses to delegate said power and authority. The Plan Administrator may delegate author-

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ity to act on its behalf to any persons it deems appropriate. If a Plan Administrator is not appointed, the Committee shall be the Plan Administrator.

2. Pension Plan Committee. If the Board shall appoint a Pension Plan Committee, it shall consist of five Board members, one of whom shall be an employee covered by the Plan. Each member of the Pension Plan Committee shall serve in that capacity until the earliest of resignation, death, removal or otherwise. Each member may resign by delivering written notice to the Board and other members of the Committee. Vacancies on the Committee shall be filled in the same manner as the position was originally filled by the Board; provided, however, that the remaining members of the Committee shall have full power to act pending the filling of such vacancies.
3. Authority and Duties of the Plan Administrator. The Plan Administrator shall have full power and authority to do whatever shall, in its judgment, be reasonably necessary for the proper administration and operation of the Plan. The interpretation or construction placed upon any term or provision of the Plan by the Plan Administrator or any action of the Plan Administrator taken in good faith shall, upon the Board's review and approval thereof, be final and conclusive upon all parties hereto, whether employees, participants or other persons concerned. By way of specification and not limitation and except as specifically limited hereafter, the Plan Administrator is authorized:
 - A. To construe this Plan.
 - B. To determine all questions affecting the eligibility of any employee to participate herein.
 - C. To compute the amount and source of any benefit payable hereunder to any participant or beneficiary.
 - D. To authorize any and all disbursements.
 - E. To prescribe any procedure to be followed by any participant or other person in filing any application or election.
 - F. To prepare and distribute, in such manner as may be required by law or as the Plan Administrator deems appropriate, information explaining the Plan.
 - G. To require from the employer or any participant such information as shall be necessary for the proper administration of the Plan.
 - H. To appoint and retain any individual to assist in the administration of the Plan, including such legal, clerical, accounting and actuarial services as may be required by any applicable law or laws.

The Plan Administrator shall have no power to add to, subtract from or modify the terms of the Plan or change or add to any benefits provided by the Plan, or to

waive or fail to apply any requirements of eligibility for benefits under the Plan. Further, the Plan Administrator shall have no power to adopt, amend or terminate the Plan, to select or appoint any trustee or to determine or require any contributions to the Plan, said powers being exclusively reserved to the Board.

4. **Non-Uniform Committee Organization.** The Committee may organize itself in any manner deemed appropriate to effectuate its purposes hereunder provided that it shall operate and act by a majority of its members at the time in office either by vote at a meeting or in writing without a meeting. The Committee shall appoint a Chairman, a Secretary who may, but need not be a Committee member, and such other agents as it may deem advisable. The Committee may authorize any one or more of its members to execute any document or documents, including any application, request, certificate, notice, consent, waiver or direction and shall notify the Board, in writing, of each such member so authorized; however, if no such member is so authorized, the Chairman shall be deemed to be so authorized. Any trustee or other fiduciary appointed hereunder shall accept and be fully protected in relying upon any document executed by the designated members (or the Chairman in the absence of a designation) as representing a valid action by the Committee until the Committee shall file with such fiduciary a written revocation of such designation. The Committee shall meet at least one time in each plan year, and it shall maintain and keep such records as are necessary for the efficient operation of the Plan or as may be required by any applicable law, regulation or ruling and shall provide for the preparation and filing of such forms, reports or documents as may be required to be filed with any governmental agency or department and with the participants or other persons entitled to benefits under the Plan.
5. **Plan Administrator Costs.** The Plan Administrator shall serve without compensation for services unless otherwise agreed by the Board, in writing. All reasonable expenses incident to the functioning of the Plan administration including, but not limited to, fees of accountants, counsel, actuaries and other specialists and other costs of administering the plan may be paid from the Pension Fund upon approval by the Board to the extent permitted under applicable law and not otherwise paid by the employer.
6. **Hold Harmless.** No member of the Board, the Plan Administrator, the enrolled actuary nor any other person involved in the administration of the Plan shall be liable to any person on account of any act or failure to act which is taken or omitted to be taken in good faith in performing their respective duties under the terms of this Plan. To the extent permitted by law, the employer shall, and hereby does agree to, indemnify and hold harmless the Plan Administrator and each successor and each of any such individual's heirs, executors and administrators and the delegates and appointees (other than any person, bank, firm or corporation which is independent of the employer and which render services to the Plan for a fee) from any and all liability and expenses, including counsel fees, reasonably incurred in any action, suit or proceeding to which he is or may be made a party by reason of being or having been a member, delegate or appointee of the Plan Administrator, except in matters involving criminal liability, intentional or willful

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misconduct. If the employer purchases insurance to cover claims of a nature described above, then there shall be no right of indemnification except to the extent of any deductible amount under the insurance coverage or to the extent of the amount the claims exceed the insured amount.

7. Approval of Benefits. The Plan Administrator shall review and approve or deny any application for retirement benefits within 30 days following receipt thereof or within such longer time as may be necessary under the circumstances. Any denial of an application for retirement benefits shall be in writing and shall specify the reason for such denial.
8. Appeal Procedure. Any person whose application for retirement benefits is denied, who questions the amount of benefit paid, who believes a benefit should have commenced which did not so commence or who has some other claim arising under the Plan ("claimant") shall first seek a resolution of such claim under the procedure hereinafter set forth.
 - A. Any claimant shall file a notice of the claim with the Plan Administrator, which shall fully describe the nature of the claim. The Plan Administrator shall review the claim and make an initial determination approving or denying the claim.
 - B. If the claim is denied in whole or in part, the Plan Administrator shall, within 90 days (or such other period as may be established by applicable law) from the time the application is received, mail notice of such denial to the claimant. Such ninety-day period may be extended by the Plan Administrator if special circumstances so require for up to 90 additional days by the Plan Administrator's delivering notice of such extension to the claimant within the first ninety-day period. Any notice hereunder shall be written in a manner calculated to be understood by the claimant and, if a notice of denial, shall set forth the specific plan provisions on which the denial is based, an explanation of additional material or information, if any, necessary to perfect such claim and a statement of why such material or information is necessary and an explanation of the review procedure.
 - C. Upon receipt of notice denying the claim, the claimant shall have the right to request a full and fair review by the Board of the initial determination. Such request for review must be made by notice to the Board within 60 days of receipt of such notice of denial. During such review, the claimant or a duly authorized representative, shall have the right to review any pertinent documents and to submit any issues or comments in writing. The Board shall, within 60 days after receipt of the notice requesting such review (or in special circumstances, such as where the Board in its sole discretion holds a hearing, within 120 days of receipt of such notice) submit its decision in writing to the person or persons whose claim has been denied. The decision shall be final, conclusive and binding on all parties, shall be written in a manner calculated to be understood by the claimant and shall contain spe-

cific references to the pertinent plan provisions on which the decision is based.

- D. Any notice of a claim questioning the amount of a benefit in pay status shall be filed within 90 days following the date of the first payment which would be adjusted if the claim is granted, unless the Plan Administrator allows a later filing for good cause shown.
- E. A claimant who does not submit a notice of a claim or a notice requesting a review of a denial of a claim within the time limitations specified above shall be deemed to have waived such claim or right to review.
- F. Nothing contained herein is intended to abridge any right of a claimant to appeal any final decision hereunder to a court of competent jurisdiction under 2 Pa. C.S.A. §752. No decision hereunder is a final decision from which such an appeal may be taken until the entire appeal procedure of subsection (8) of the Plan has been exhausted.

(Ord. 02-09-04, 9/9/2002, Art. VIII)

§1-729. Pension Fund.

- 1. Operation of the Pension Fund. The Board is hereby authorized to hold and supervise the investment of the assets of the Pension Fund, subject to the provisions of the laws of the Commonwealth and of this Plan and any amendment thereto. The Pension Fund shall be used to pay benefits as provided in the Plan and, to the extent not paid directly by the employer, to pay the expenses of administering the Plan pursuant to authorization by the employer. The employer intends the Plan to be permanent and for the exclusive benefit of its employees. It expects to make the contributions to the Pension Fund required under the Plan. The employer shall not be liable in any manner for any insufficiency in the Pension Fund, benefits are payable only from the Pension Fund and only to the extent that there are monies available therein. The Pension Fund will consist of all funds held by the employer under the Plan, including contributions made pursuant to the provisions hereof and the investments, re-investments and proceeds thereof. The Pension Fund shall be held, managed and administered pursuant to the terms of the Plan. Except as otherwise expressly provided in the Plan, the employer has exclusive authority and discretion to manage and control the Pension Fund assets. The employer may, however, appoint a trustee, custodian or investment manager at its sole discretion.
- 2. Powers and Duties of Employer. With respect to the Pension Fund, the employer shall have the following powers, rights and duties in addition to those vested in it elsewhere in the plan or by law, unless such duties are delegated:
 - A. To retain in cash so much of the Pension Fund as it deems advisable and to deposit any cash so retained in any bank or similar financial institution (in-

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cluding any such institution which may be appointed to serve as trustee hereunder) without liability for interest thereon.

- B. To invest and re-invest the principal and income of the Fund and keep said fund invested, without distinction between principal and income, in securities which are at the time legal investments for fiduciaries under the Pennsylvania Fiduciaries Investment Act or as the same may be subsequently modified or amended.
- C. To sell property held in the Fund at either public or private sale for cash or on credit at such times as it may deem appropriate, to exchange such property, to grant options for the purchase or exchange thereof.
- D. To consent to and participate in any plan of reorganization, consolidation, merger, extension or other similar plan affecting property held in the Fund, to consent to any contract, lease, mortgage, purchase, sale or other action by any corporation pursuant to any such plan.
- E. To exercise all conversion and subscription rights pertaining to property held in the Fund.
- F. To exercise all voting rights with respect to property held in the fund and in connection therewith to grant proxies, discretionary or otherwise.
- G. To place money at any time in a deposit bank deemed to be appropriate for the purposes of this Plan no matter where situated, including in those cases where a bank has been appointed to serve as trustee hereunder, the saving department of its own commercial bank.
- H. In addition to the foregoing powers, the employer shall also have all of the powers, rights and privileges conferred upon trustees by the Pennsylvania Fiduciaries Investment Act or as the same may be subsequently modified or amended and the power to do all acts, take all proceedings and execute all rights and privileges, although not specifically mentioned herein, as the employer may deem necessary to administer the Pension Fund.
- I. To maintain and invest the assets of this Plan on a collective and commingled basis with the assets of other pension plans maintained by the employer; provided, that the assets of each respective plan shall be accounted for and administered separately.
- J. To invest the assets of the Pension Fund in any collective commingled trust fund maintained by a bank or trust company, including any bank or trust company which may act as a trustee hereunder. In this connection, the commingling of the assets of this Plan with assets of other eligible, participating plans through such a medium is hereby specifically authorized. Any assets of the Plan which may be so added to such collective trusts shall be subject to all of the provisions of the applicable declaration of trust, as

amended from time to time, which declaration, if required by its terms or by applicable law, is hereby adopted as part of the plan, to the extent of the participation in such collective or commingled trust fund by the Plan.

- K. To make any payment or distribution required or advisable to carry out the provisions of the Plan; provided, that if a trustee is appointed by the employer, such trustee shall make such distribution only at the direction of the employer.
- L. To compromise, contest, arbitrate, enforce or abandon claims and demands with respect to the Plan.
- M. To retain any funds or property subject to any dispute without liability for the payment of interest thereon and to decline to make payment or delivery thereof until final adjudication is made by a court of competent jurisdiction.
- N. To pay and to deduct from and charge against the Pension Fund any taxes which may be imposed thereon, whether with respect to the income, property or transfer thereof or upon or with respect to the interest of any person therein, which the fund is required to pay, to contest in its discretion, the validity or amount of any tax, assessment, claim or demand which may be levied or made against or in respect of the pension fund, the income, property or transfer thereof or in any matter or thing connected therewith.
- O. To appoint any persons or firms (including, but not limited to, accountants, investment advisors, counsel, actuaries, physicians, appraisers, consultants, professional Plan Administrators and other specialists) or otherwise act to secure specialized advice or assistance, as it deems necessary or desirable in connection with the management of the Fund, to the extent not prohibited by applicable law, the employer shall be entitled to rely conclusively upon and shall be fully protected in any action or omission taken by it in good faith reliance upon, the advice or opinion of such persons or firms; provided, such persons or firms were prudently chosen by the employer, taking into account the interests of the participants and beneficiaries and with due regard to the ability of the persons or firms to perform their assigned functions.
- P. To retain the services of one or more person or firms for the management of (including the power to acquire and dispose of) all or any part of the Fund assets; provided, that each of such persons or firms is registered as an investment advisor under the Investment Advisors Act of 1940, is a bank (as defined in that Act) or is an insurance company qualified to manage, acquire or dispose of pension trust assets under the laws of more than one state; in such event, the employer shall follow the directions of such investment manager or managers with respect to the acquisition and disposition of fund assets, but shall not be liable for the acts or omissions of such investment manager or managers, nor shall it be under any obligation to review or otherwise manage any fund assets which are subject to the management of

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such investment manager or managers. If the employer appoints a trustee, the trustee shall not be permitted to retain such an investment manager except with the express written consent of the employer.

3. Common Investments. The employer shall not be required to make separate investments for individual participants or to maintain separate investments for each participant's account, but may invest contributions and any profits or gains therefrom in common investments.
4. Compensation and Expenses of Appointed Trustee. If a trustee is appointed, the trustee shall be entitled to such reasonable compensation as shall, from time to time, be agreed upon by the employer and the trustee, unless such compensation is prohibited by law. Such compensation and all expenses reasonably incurred by the trustee in carrying out its functions shall constitute a charge upon the employer or the pension fund, which may be executed at any time after 30 days' written notice to the employer. The employer shall be under no obligation to pay such costs and expenses and, in the event of its failure to do so, the trustee shall be entitled to pay the same or to be reimbursed for the payment thereof, from the Pension Fund.
5. Periodic Accounting. If a trustee is appointed, the Pension Fund shall be evaluated annually, or at more frequent intervals, by the trustee and a written accounting rendered as of each fiscal year end of the Fund and as of the effective date of any removal or resignation of the trustee and such additional dates as requested by the employer, showing the condition of the fund and all receipts, disbursements and other transactions effected by the trustee during the period covered by the accounting, based on fair market values prevailing as of such date.
6. Value of the Pension Fund. All determinations as to the value of the assets of the pension fund and as to the amount of the liabilities thereof, shall be made by the employer or its appointed trustee, whose decisions shall be final and conclusive and binding on all parties hereto, the participants and beneficiaries and their estates. In making any such determination, the employer or trustee shall be entitled to seek and rely upon the opinion of or any information furnished by brokers, appraisers and other experts and shall also be entitled to rely upon reports as to sales and quotations, both on security exchanges and otherwise as contained in newspapers and in financial publications.

(Ord. 02-09-04, 9/9/2002, Art. IX)

§1-730. Amendment and Termination.

1. Amendment of the Plan. The employer may amend this Plan at any time or from time to time by an instrument in writing executed in the name of the employer under its municipal seal by officers duly authorized to execute such instrument and delivered to the Board; provided, however:

- A. That no amendment shall deprive any participant or any beneficiary of a deceased participant of any of the benefits to which each is entitled under this Plan with respect to contribution previously made.
 - B. That no amendment shall provide for the use of funds or assets held under this Plan other than for the benefit of employees and no funds contributed to this Plan or assets of this Plan shall, except as provided in subsection (5), ever revert to or be used or enjoyed by the employer.
 - C. That no amendment to the Plan which provides for a benefit modification shall be made unless the cost estimate described in §1-731(3) has been prepared and presented to the Board in accordance with the Act.
2. Termination of the Plan. The employer shall have the power to terminate this Plan in its entirety at any time by an instrument in writing executed in the name of the employer.
 3. Automatic Termination of Contributions. Subject to the provisions of the Act governing financially distressed municipalities, the liability of the employer to make contributions to the Pension Fund shall automatically terminate upon liquidation or dissolution of the employer, upon its adjudication as a bankrupt or upon the making of a general assignment for the benefit of its creditors.
 4. Distribution Upon Termination. In the event of the termination of the Plan, all amounts of vested benefits accrued by the affected participants as of the date of such termination, to the extent funded on such date, shall be non-forfeitable hereunder. In the event of termination of the Plan, the employer shall direct either that the Plan Administrator continue to hold the vested accrued benefits of participants in the Pension Fund in accordance with the provisions of the Plan (other than those provisions related to forfeitures) without regard to such termination until all funds have been distributed in accordance with the provisions or that the Plan Administrator immediately distribute to each participant an amount equal to the vested accrued benefit to the date. If there are sufficient assets in the Pension Fund to provide for all vested accrued benefits as of the date of Plan termination, priority shall first be given to the distribution of any amounts attributable to mandatory or voluntary employee contributions before assets are applied to the distribution of any vested benefits attributable to other sources hereunder. All other assets attributable to the terminated Plan shall be distributed and disposed of in accordance with the provisions of applicable law and the terms of any instrument adopted by the employer which affects such termination.
 5. Residual Assets. If all liabilities to vested participants and any others entitled to receive a benefit under the terms of the Plan have been satisfied and there remain any residual assets in the Pension Fund, such residual assets remaining shall be returned to the employer insofar as such return does not contravene any provision of law and any remaining balance in excess of employer contributions shall be returned to the Commonwealth.

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6. **Exclusive Benefit Rule.** In the event of the discontinuance and termination of the Plan as provided herein, the employer shall dispose of the Pension Fund in accordance with the terms of the Plan and applicable law; at no time prior to the satisfaction of all liabilities under the Plan shall any part of the corpus or income of the Pension Fund, after deducting any administrative or other expenses properly chargeable to the Pension Fund, be used for or diverted to purposes other than for the exclusive benefit of the participants in the Plan, their beneficiaries or their estates.

(Ord. 02-09-04, 9/9/2002, Art X)

§1-731. Funding Standard Requirements.

1. **Actuarial Valuations.** The Plan's actuary shall perform an actuarial valuation at least biennially unless the employer is applying or has applied for supplemental State assistance pursuant to §603 of the Act, whereupon actuarial valuation reports shall be made annually. Such biennial actuarial valuation report shall be made as of the beginning of each plan year occurring in an odd numbered calendar year, beginning with the year 1985. Such actuarial valuation shall be prepared and certified by an approved actuary, as such term is defined in the Act. The expenses attributable to the preparation of any actuarial valuation report or investigation required by the Act or any other expense which is permissible under the terms of the Act and which are directly associated with administering the Plan shall be an allowable administrative expense payable from the assets of the Pension Fund. Such allowable expenses shall include, but not be limited to, the following:
 - A. Investment costs associated with obtaining authorized investments and investment management fees.
 - B. Accounting expenses.
 - C. Premiums for insurance coverage on fund assets.
 - D. Reasonable and necessary counsel fees incurred for advice or to defend the fund.
 - E. Legitimate travel and education expenses for Plan officials; provided, however, that the municipal officials of the employer, in their fiduciary role, shall monitor the services provided to the Plan to ensure that the expenses are necessary, reasonable and benefit the Plan; and further provided, that the Plan Administrator shall document all such expenses by item and where necessary, hour by hour.
2. **Duties of Chief Administrative Officer.** Such actuarial reports shall be prepared and filed under the supervision of the Chief Administrative Officer. The Chief Administrative Officer of the plan shall determine the financial requirements of

the Plan on the basis of the most recent actuarial report and shall determine the minimum municipal obligation of the employer with respect to funding the Plan for any given plan year. The Chief Administrative Officer shall submit the financial requirements of the Plan and the minimum municipal obligation of the employer to the Board annually and shall certify the accuracy of such calculations and their conformance with the Act.

3. **Benefit Plan Modifications.** Prior to the adoption of any benefit plan modification by the employer, the Chief Administrative Officer of the Plan shall provide to the Board a cost estimate of the proposed benefit plan modification. Such estimate shall be prepared by an approved actuary, which estimate shall disclose to the Board the impact of the proposed benefit plan modification on the future financial requirements of the Plan and the future minimum municipal obligation of the employer with respect to the Plan.

(Ord. 02-09-04, 9/9/2002, Art. XI)

§1-732. Miscellaneous Provisions.

1. **Employment Rights.** No employee of the employer nor anyone else shall have any rights whatsoever against the employer or the Plan Administrator as a result of this Plan, except those expressly granted hereunder. Participation in this Plan shall not give any right to any employee to be retained in the employ of the employer, nor shall interfere with the right of the employer to discharge any employee and to deal with such employee without regard to the effect such treatment might have upon participation in this Plan.
2. **Meaning of Certain Words.** For purposes of this plan, the masculine gender shall include the feminine gender and the singular shall include the plural and vice versa, in all cases wherever the person or context shall plainly so require. Headings of Sections and subsections are inserted only for convenience of reference and are not to be considered in the construction of the Plan.
3. **Information to be Furnished by the Employer.** The employer shall furnish to the Plan Administrator (and where applicable, the trustee) information in the employer's possession as the Plan Administrator and the trustee shall require, from time to time, to perform their duties under the Plan.
4. **Severability of Provisions.** Should any provisions of this plan be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of this Plan and the Plan shall be construed and enforced as if said illegal and invalid provisions had never been inserted herein.
5. **Incapacity of Participant.** If any participant shall be physically or mentally incapable of receiving or acknowledging receipt of any payment of pension benefits hereunder, the Plan Administrator, upon the receipt of satisfactory evidence that such participant is so incapacitated and that another person or institution is

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maintaining the participant and that no guardian or committee has been appointed for the participant, may provide for such payment of pension benefits hereunder to such person or institution so maintaining the participant and any such payments so made shall be deemed for every purpose to have been made to such participant.

6. Pension Fund for Sole Benefit of Participants. The income and principal of the pension fund are for the sole use and benefit of the participants covered hereunder and to the extent permitted by law shall be free, clear and discharged from and are not to be in any way liable for debts, contracts or agreements now contracted or which may hereafter be contracted and from all claims and liabilities now or hereafter incurred by any participant or beneficiary.
7. Benefits for a Deceased Participant. If any benefit shall be payable under the Plan to or on behalf of a participant who has died, if the Plan provides that the payment of such benefits shall be made to the participant's estate and if no administration of such participant's estate is pending in the court of proper jurisdiction, then the Plan Administrator, at its sole option, may pay such benefits to the surviving spouse of such deceased participant, or, if there is no surviving spouse, to such participant's then living issue, per stripes; provided, however, that nothing contained herein shall prevent the Plan Administrator from insisting upon the commencement of estate administration proceedings and the delivery of any such benefits to a duly appointed executor or administrator.
8. Assets of the Fund. Nothing contained herein shall be deemed to give any participant or beneficiary any interest in any specific property of the Pension Fund or any right except to receive such distributions as are expressly provided for under the Plan.
9. Personal Liability. Subject to the provisions of the Act and unless otherwise specifically required by other applicable laws, no past, present or future officer or agent of the employer or Plan Administrator shall be personally liable to any participant, beneficiary or other person under any provision of the Plan.
10. Construction of Document. This Plan may be executed and/or conformed in any number of counterparts, each of which shall be deemed an original and shall be construed and enforced according to the laws of the Commonwealth, excepting such Commonwealth's choice of law rules.

(Ord. 02-09-04, 9/9/2002, Art XII)

PART 8

RECOGNITION OF FIREMEN'S RELIEF ASSOCIATION

§1-801. Recognition of Firemen's Relief Association.

1. The following associations are hereby recognized as actively engaged in providing fire protection and/or emergency services in the Township of New Britain:

Chalfont Fire Chemical Fire Company, Doylestown Fire Company, Dublin Fire Company, Hilltown Fire Company

The above named associations have been formed for the benefit of its members and their families in case of death, sickness, temporary or permanent disability or accident suffered in the line of duty.

2. The above named associations of the Township are designated the proper associations to receive such funds as are due and payable to the Township Treasurer by the Treasurer of the State of Pennsylvania from the tax on premiums from foreign fire insurance companies.

(Ord. 2007-02-01, 2/12/2007)

§1-802. Certification to Auditor General.

The Board of Supervisors shall annually certify to the Auditor General of the Commonwealth the name(s) of the active associations and the percentage of service they contribute to the protection of the Township. Such certification shall be on forms prescribed by the Auditor General.

(Ord. 2007-02-01, 2/12/2007)

§1-803. Annual Appropriation.

There is annually appropriated from the Township Treasury all such sums of money that may hereafter be paid into the Township Treasury by the Treasurer of the State of Pennsylvania on account of taxes paid on premiums of foreign fire insurance companies in pursuance of the Act of December 18, 1984, No. 205, §701 et seq., as hereafter amended, supplemented, modified or reenacted by the General Assembly of Pennsylvania. Such monies received by the Township Treasurer from the State Treasurer shall be distributed to the duly recognized associations within 60 days of receipt. The funds shall be distributed on the basis of the percentage of service established in the certification to the Auditor General and with other provisions of the Act.

(Ord. 2007-02-01, 2/12/2007)

