

AN ORDINANCE OF BENTLEYVILLE BOROUGH, WASHINGTON COUNTY, COMMONWEALTH OF PENNSYLVANIA, ELECTING TO IMPROVE THE BENEFITS IT HAS IN THE PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM UNDER ARTICLE IV OF THE PENNSYLVANIA MUNICIPAL RETIREMENT LAW: AGREEING TO BE BOUND BY ALL PROVISIONS OF THE PENNSYLVANIA MUNICIPAL RETIREMENT LAW AS AMENDED AND AS APPLICABLE TO MEMBER MUNICIPALITIES IMPROVING BENEFITS UNDER THE PROVISIONS OF THIS ARTICLE: STATING WHICH OF CERTAIN OPTIONS PERMITTED UNDER THE SAID LAW ARE ACCEPTED BY THE BOROUGH. ORDAINED AND ENACTED, IT IS HEREBY ORDAINED BY THE BOROUGH OF BENTLEYVILLE, WASHINGTON COUNTY, AS FOLLOWS:

SECTION I. The Borough of Bentleyville, being a member municipality of the Pennsylvania Municipal Retirement System, hereby elects to improve its member benefits in that System as authorized by the Pennsylvania Municipal Retirement Law, as amended, and does hereby agree to be bound by all the requirements and provisions of said Article and the Law, as the case may be, and to assume all obligations, financial and otherwise, placed upon member municipalities by said Amendment, as the case may be. All references hereafter shall be based on benefits negotiated between the Board and the municipality under the provisions of Article IV.

SECTION II. Membership in the Pennsylvania Municipal Retirement System shall be mandatory for all permanent, municipal employees of the Borough. Membership for elected officials and employees hired on a temporary or seasonal basis is prohibited, as is membership for individuals paid only on a fee basis.

SECTION III. Credit for prior service for original employees is granted for each year or partial year thereof that the member was employed by the Borough from original date of hire. Benefits provided to members in the agreement dated November 8, 1990, shall accrue based on all credited service granted and earned in accordance with this section.

The Borough of Bentleyville hereby assumes all liability for any unfundedness created due to the acceptance of the benefit structure outlined in the above-referenced agreement.

SECTION IV. Payment for any obligation established by the adoption of this ordinance and the agreement between the System and the Borough of Bentleyville shall be made by the Borough in accordance with the Pennsylvania Municipal Retirement Law and Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act.

SECTION V. As part of this ordinance, the Borough agrees that the System shall provide the benefits set forth in the agreement between the Board and the Borough of Bentleyville, dated November 8, 1990. The passage and adoption of this ordinance by the Borough of Bentleyville is an official acceptance of said agreement and the financial obligations resulting from the administration of said benefit package.

SECTION VI. The Borough of Bentleyville intends this ordinance to be the complete authorization of the Borough plan and, therefore, specifically repeals the Borough's municipal employee pension Ordinance Number 209 of the Borough of Bentleyville.

SECTION VII. A duly certified copy of this ordinance and the referenced agreement shall be filed with the Pennsylvania Municipal Retirement System of the Commonwealth of Pennsylvania. Membership for the municipal employees of the Borough of Bentleyville in the Pennsylvania Municipal Retirement System shall be effective the first day of January, 1966, with the improved plan structure reflected in the revised agreement, dated November 8, 1990, effective the first day of January, 1991.

ORDAINED AND ENACTED this 8th day of November, 1990.

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ATTEST:

JBA:orm:9-27-90

BENTLEYVILLE BOROUGH MUNICIPAL EMPLOYEE  
PENSION PLAN AGREEMENT

AN AGREEMENT, dated this 8th day of November, 1990, by and between Bentleyville Borough and the Pennsylvania Municipal Retirement Board (the Board);

WHEREAS, Article IV, Section 401 of the Act of February 1, 1974, No. 15, states:

"401. This article shall provide for the enrollment of those municipalities in the Pennsylvania Municipal Retirement System which want to offer retirement benefits to their employees...", and;

WHEREAS, Article IV, Section 401 of the Act also provides:

"401. ... It shall also provide for increasing member benefits for municipalities formerly enrolled under the provisions of Article III...of this Act."; and

WHEREAS, the Borough of Bentleyville has enrolled their municipal employees in the Pennsylvania Municipal Retirement System and desires to amend its pension plan for the municipal employees:

NOW THEREFORE, the Pennsylvania Municipal Retirement Board and Bentleyville Borough hereby agree to the following retirement pension plan for the municipal employees:

1. Coverage: This plan shall cover all permanent municipal employees, hereinafter referred to as "member", of the Borough. Membership for elected officials and employees hired on a temporary or seasonal basis is prohibited as is membership for individuals paid only on a fee basis. Individual membership shall be effective as of the date the Borough entered into the Pennsylvania Municipal Retirement System or upon the expiration of the individual's probationary status, whichever is most recent.

Credited service shall accrue from the original member's date of hire so long as there is continuous, uninterrupted employment to the municipality. Credited service time earned prior to the enrollment of the Borough into the System shall be known as prior service.

No credited service shall be granted for time employed in a status other than an active employee of the municipality excluding credit for purchased military service, reinstatement of previous service or service earned and credited under the portability section of this agreement (Section 11).

2. Superannuation Retirement Age: Eligibility for a superannuation retirement shall occur upon the member's attainment of sixty-five (65) years of age or older.

3. Basic Benefit: The basic annual benefit shall be equal to one and five-tenths percent (1.5%) of the member's final salary multiplied by all years of credited service.

4. Final Salary: The member's final salary shall be the average annual compensation of the member during their final five (5) years of employment, or if not so long employed, then the average annual compensation earned and paid during the whole period of such employment.

5. Early Retirement: A member who has been involuntarily terminated after eight (8) years of credited service or who has separated voluntarily after twenty-four (24) years of credited service or who has attained the age of sixty-two (62) may retire early. Benefits will be actuarially reduced for each year or partial year thereof prior to age sixty-five (65) that early retirement takes place.

6. Permanent Disability Benefits: A member who has ten (10) or more years of credited service may, upon application or on application of one acting in the member's behalf, or upon application of a responsible official of the municipality, be retired by the Board on a disability allowance (1) if the member is under superannuation retirement age, or on a superannuation retirement allowance if the member has attained or passed such age, and (2) if the physician designated by the Board, after medical examination of the member shall certify to the Board that the individual is unable to engage in any gainful employment and that said member ought to be retired. When the disability of a member is determined to be service-connected, as defined in Act 15 of 1974, no minimum period of service shall be required for eligibility.

A disability annuity payable from the total disability reserve account which, together with the municipal annuity and the member's annuity, if any, shall be sufficient to produce a retirement allowance of thirty percent (30%) of the member's final salary. Where the disability of the member is determined to be service-connected, the disability allowance shall equal fifty percent (50%) of the member's final salary. The disability annuity shall be reduced by the amount of any payments for which the member shall be eligible under the Act of June 2, 1915 (P.L. 736, No. 338), known as "The Pennsylvania Workmen's Compensation Act" or the Act of June 21, 1939 (P.L. 566, No. 284), known as "The Pennsylvania Occupational Disease Act."

Any member with eight (8) or more years of credited service entitled to retire for disability may, in lieu of such retirement, elect to retire not voluntarily under the provisions of Section 5.

Should a disability annuitant die before the total disability retirement allowance received equals the amount of the member's accumulated deductions at the time of disability retirement, the Board shall pay to the named beneficiary (if living, or if the named beneficiary predeceased the annuitant, or no beneficiary was named, then to the annuitant's estate) an amount equal to the difference between such total retirement allowance received and the annuitant's accumulated deductions. If such difference is less than one hundred dollars (\$100) and no letters have been taken out on the estate within six (6) months after death, such difference may be paid to the undertaker or to any person or municipality who or which shall have paid the claim of the undertaker.

7. Death Benefit: A member who is entitled to a retirement allowance (because of reaching the early retirement age of age 62) or a member who is entitled to a retirement allowance (because of completing twenty-four (24) years of credited service) may file a written application for retirement requesting that such retirement become effective at the time of death. The application must be filed with the Pennsylvania Municipal Retirement Board on PMRB-8.

When applying for retirement, the member may elect one of the options provided in Section 12 and nominate a beneficiary. The application shall be held by the Board (1) until the member files a later application (PMRB-8) for a retirement allowance or (2) until the death of the member while in municipal service.

If a member entitled to a retirement allowance dies while in municipal service, benefits become effective as if the member had retired on the day immediately preceding death. The beneficiary receives the annuity option elected before the member's death. If an option was not filed with the Board, it shall be considered that the member elected Option 1 as provided in Section 12 of this agreement. In such event, payment under Option 1 shall be made to the beneficiary designated in the nomination of beneficiary form (PMRB-2) on file with the Board.

8. Military Service: Any member employed by the Borough who has been a regularly appointed employee for at least six (6) months and is inducted into the military service of the United States, shall have all of the time spent in such military service credited to their employment record for pension or retirement benefits if person returns or has heretofore returned to employment within six (6) months after separation from the service.

An active member may also purchase credit for other than intervening military service performed for the United States in times of war, armed conflict or national emergency, so proclaimed by the President of the United States, for a period not to exceed five (5) years, provided the member has completed five (5) years of service to the municipality subsequent to such military service. An active member may file an application with the Board for permission to purchase credit for nonintervening military service upon completion of five (5) years of subsequent service to the municipality.

The amount due from the member shall be certified by the Board in accordance with methods approved by the actuary. It may be paid in a lump sum within thirty (30) days or it may be amortized with additional interest through salary deductions in amounts agreed upon by the member and the Board.

The rate of interest to be charged to a member on purchase of credit for intervening or nonintervening military service shall be the rate being credited by the System to members' accounts in effect on the date of the member's application, compounded annually.

A member may purchase credit for intervening or nonintervening military service only if discharge or separation from the service was granted under other than dishonorable conditions.

A member may not purchase military credit for any service that is covered by another retirement system administered and wholly or partially paid for by any other government agency or private employer.

9. Contributions by Members: Members shall contribute three percent (3%) of their total compensation in a manner consistent with Board established policy. If a member terminates prior to becoming eligible for any benefit, they shall be entitled to their accumulated contributions, interest and any excess investment monies allocated to their member account.

10. Vesting: After twelve (12) years of credited service, a member may vest by filing an application with the Board within ninety (90) days of separation from employment. Upon attainment of superannuation age, a benefit will be calculated in accordance with Section 3 of this agreement.

11. Portability: When a member leaves the employ of the Borough and enters into the employ within one year of separation of another municipality that has joined the System, the member's service credits shall remain unimpaired. Should a member from the employ of another municipality that has joined the System separate from service and within one year of separation join the pension plan, the member's service credits will remain unimpaired. In such cases, any unpaid municipal liability for prior service shall be prorated by the System between the municipalities on an equitable basis.

12. Options on Superannuation, Early Retirement or Vesting: At the time a member elects to receive a retirement benefit allowance, the benefit may be payable throughout the member's life, in which case the benefit is known as a Single Life Annuity. The member may alternatively elect at the time of retirement to receive the equivalent actuarial value in a lesser allowance, payable throughout life with provisions that:

- (a) Option 1. If the member dies before receiving in payments the present value of the retirement allowance as it was at the time of retirement, the balance, if less than five thousand dollars (\$5,000), shall be paid in a lump sum to the designated beneficiary if living, or if the named beneficiary predeceased the member or if no beneficiary was named, then to the member's estate. If the balance is five thousand dollars (\$5,000) or more, the beneficiary may elect, by application duly acknowledged and filed with the Board to receive payment of such balance according to any one of the following provisions:
  - (i) in a lump-sum payment, or
  - (ii) in an annuity having a present value equal to the balance payable, or
  - (iii) in a lump-sum payment and an annuity. Such annuity shall be of equivalent actuarial value to the balance payable less the amount of the lump-sum payment specified by the beneficiary.

- (b) Option 2. Upon the annuitant's death, the retirement allowance shall be continued throughout the life of and paid to the survivor annuitant, if then living.
- (c) Option 3. Upon the annuitant's death, one-half of the retirement allowance shall be continued throughout the life of and paid to the survivor annuitant, if then living.
- (d) Option 4. A member may elect to receive, in one payment at the time of retirement, the full amount of the member's accumulated deductions (not to include excess investment monies) standing to his credit in the member's account. In so electing this option, the member forfeits the portion of the annuity paid for from the accumulated contributions, but shall continue to be entitled to an annuity comprised of the municipal contribution and any excess investment monies so credited to the account. Any member electing this option shall be entitled to receive his remaining annuity calculated in accordance with any of the other options provided for in this section.

Should a member who has elected a Single Life Annuity die before receiving in annuity payments the full amount of the total accumulated deductions standing to their credit in the member account on the effective date of retirement, the balance shall be paid to the designated beneficiary.

13. Social Security Offset: There shall be no offset for Social Security retirement benefits received by a member.

14. Determination of Municipal Liability: The Board, having caused an actuarial study to be made, established the normal cost of the plan to be six and seventy-six hundredths percent (6.76%) of the member's compensation. The Board will redetermine, from time to time, (1) the amount which shall be contributed annually by the municipality for service credits of original and new members subsequent to the time the municipality joined the System, and (2) the additional amount which shall be contributed annually toward a reserve account for disability allowances payable to original and new members, in order that all future service liability may be fully funded on an actuarial basis and in accordance with the provisions of Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act.

15. Procedure: Matters or procedure not covered in this agreement shall be as set forth in Act 15 of 1974 and as found in Act 205 of 1984, as they shall, from time to time, be amended.

Should any change or mistake in records result in any member, beneficiary or survivor annuitant receiving from the System more or less than they would have been entitled to receive had the records been correct, then regardless of the intentional or unintentional nature of the error and upon the discovery of such error, the Board will correct the error and so far as practicable will adjust the payments which may be made for and to such person in such a manner that the actuarial equivalent of the benefit to which he was correctly entitled shall be paid.

16. Unfunded Liability: Any unfunded liability incurred by the creation of benefits under this agreement shall be borne by the Borough of Bentleyville.

17. Effective Date: This agreement shall be effective the first day of January, 1991, with the acceptance of the same by the Borough of Bentleyville and the Pennsylvania Municipal Retirement Board. Termination of this agreement shall be in accordance with Section 412 of Act 15 of 1974.

IN WITNESS WHEREOF, we have hereunto set our hands and seal the day, month and year above written.

ATTEST:

PENNSYLVANIA MUNICIPAL RETIREMENT BOARD

BY: James B. Allen  
James B. Allen  
Secretary

BY: [Signature]

ATTEST:

BENTLEYVILLE BOROUGH, WASHINGTON COUNTY

BY: Lena Greenfield  
Lena Greenfield  
Secretary

BY: Irene Saniga  
Irene Saniga  
President

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Approved as to form and legality:

BY: [Signature]  
Office of Attorney General

BY: [Signature]  
Chief Counsel for  
Office of General Counsel