

ORDINANCE NO. 73- 8

AN ORDINANCE ESTABLISHING A POLICE PENSION FUND OR PENSION ANNUITY FOR THE BENEFIT OF SUCH MEMBERS OF THE HILLTOWN TOWNSHIP POLICE FORCE WHO RECEIVE HONORABLE DISCHARGE THEREFROM BY REASON OF AGE AND SERVICE AND PROVIDING FOR CERTAIN DEATH BENEFITS; REPEALING ORDINANCE NO. 66-4 WHICH AUTHORIZED THE SECURING OF PENSION ANNUITY CONTRACTS FOR POLICEMAN; AND PROVIDING FOR THE HIRING OF AN ACTUARY.

PREAMBLE

In order to provide for retirement benefits of its police officers and for the proper administration of the police pension fund, the Township under the authority of these acts of the Legislature, Act of May 29, 1956 P.L. 1804 as amended (53 PS 767); Act of June 21, 1963 P.L. 752 as amended (72 PS 2263); and the Act of December 6, 1972 P.L. 293 as amended (53 PS 730.1) does ordain as follows:

SECTION I. (A) There is hereby established in Hilltown Township a police pension fund or pension annuity to be maintained by a charge against each member of the police force, by annual appropriations made by the Township, by payments made by the State Treasurer to the Township from moneys received from taxes paid upon premiums by foreign casualty insurance companies for the purposes of pension retirement for policemen and by gifts, grants, devises or bequests granted to the pension fund pursuant to Section II hereof.

(B) Such fund shall be under the direction of the Township Supervisors and shall be applied for the benefit of such members of the police force as shall receive honorable discharge therefrom by reason of age and service and for death benefits as hereinafter provided.

SECTION II. The police pension fund is hereby authorized to take by gift, grant, devise or bequest any money or property, real, personal or mixed, in trust, for the benefit of such funds, and the care, management, investment and disposal of such trust funds or property shall be vested in the Township Supervisors, and the said trust fund shall be governed by regulations prescribed by the Township Supervisors, subject to such directions not inconsistent therewith as the donors of such funds and property may prescribe.

SECTION III. (A) In order to become entitled to benefits, a member shall have a minimum period of total police service not less than an aggregate of twenty-five (25) years in Hilltown Township and shall have attained the age of Fifty-five years (55), or if the fund is actuarially sound and the Supervisors in their absolute discretion by resolution so determine, the retirement age may be fixed at Fifty (50) years (with the stated period of minimum service), after which he may retire from active duty, and such members as are retired shall be subject to service, from time to time, as a police reserve, in cases of riot, tumult or preservation of the public peace until fitted for such service, when they shall be finally discharged by reason of age or disability.

(B) If the twenty-five (25) years service of a member be not continuous service, then such member shall receive no credit for service prior to his most recent continuous term of service unless and until such member shall have paid back to the pension fund all charges refunded to him under Section VII hereof.

(C) No person shall be regarded as a member of the police force for the purposes of this Ordinance, nor shall he be a member of the retirement plan herein established, nor shall he have any rights under this Ordinance, until he shall have been employed as a police man by Hilltown Township for the period of six (6) months.

SECTION IV. (A) Payments made under the provisions of this Ordinance shall not be charged on any other fund in the treasury of Hilltown Township, or under its control, save the police pension fund herein provided for.

(B) The basis for determining any pension payable under this Ordinance, following retirement of any member of the force meeting the service and age qualifications above provided, shall be as follows:

Monthly pension or retirement benefits shall be one-half ($\frac{1}{2}$) of the monthly average base salary of such member during the last thirty-six (36) months of employment. Such pension or retirement benefits for any month shall be computed as the sum of (1) seventy-five percent (75%) of the primary benefits under Federal Social Security Laws for which the officer may be eligible because of age, and (2) benefits from the police pension fund established hereunder to the extent necessary to bring the total benefits in any month up to one-half ($\frac{1}{2}$) the aforesaid monthly average base salary.

(C) In case of the death of a member, from any cause whatever, during such time as he shall be actively employed as a member of the Hilltown Township Police force, his designated beneficiary, or his estate, as the case may be, shall receive such death benefits as are hereinafter prescribed by policies of life insurance.

SECTION V. (A) For the purpose of providing benefits from the police pension fund, the Township shall apply and use the moneys in the said fund (1) to purchase whole life insurance policies, annuity policies, and endowment policies, said policies respectively

designating as insureds each of the members of the police force and as beneficiaries such persons, if any as the respective insureds may select within the requirements of the law, and (2) to invest in lawful securities or investments as a funded reserve to meet any pension obligation not funded through life insurance, annuity or endowment policies.

(B) Any life insurance, annuity or endowment policy shall be purchased only from life insurance companies duly qualified and authorized to do business within the Commonwealth of Pennsylvania. The Township shall be the owner of all such policies and shall retain all rights of ownership, including but not limited to all rights of cashing, converting and electing options thereunder.

(C) Annuity policies and/or endowment policies aggregating a sufficient value to guarantee each member as insured thereunder, the principal benefits as provided in Sections III and IV hereof, shall be purchased by the Township as aforesaid.

(D) Whole life insurance policies incidental to the annuity and/or endowment policies in the amount of Ten Thousand Dollars (\$10,000.00), shall be purchased on his account and provide for the payment into his estate or unto designated beneficiaries, as the case may be, upon his death, the face value of the said policy.

SECTION VI. The Township Secretary shall on or about the first day of February of each year, upon the retirement of each member, and at such other times as he shall deem proper, review and examine the salary of each member, his probable ultimate social security benefits, and all other factors which may be of assistance in presently estimating the retirement benefits ultimately payable

to him, and at the same time, the Township Secretary shall also examine and review the annuity coverage applicable to each member. The Township Secretary shall thereupon and from time to time increase, reduce or otherwise revise the said coverage applicable to each member as and if indicated by the aforesaid review and examination.

SECTION VII. Any member who for any reason whatsoever shall be ineligible to receive a pension upon the termination of his employment as a police officer of the Township after having contributed any charges to the fund established pursuant to this Ordinance or to any police pension fund existing as of January 10, 1957, shall be entitled to a refund of all moneys paid by him into such funds immediately upon the termination of such employment in the following manner:

(A) If the termination of his employment is due to death, the face amount of any and all annuity policies providing for death benefits shall be paid to his designated beneficiary, or in the absence thereof to his estate, in accordance with the terms of the said police. All annuity policies issued on his account but containing no death benefits, shall be cashed forthwith and the proceeds thereof shall become a part of the general assets of the pension fund. No payments in addition to the foregoing will be made on behalf of a deceased member under this subparagraph except to the extent that the charges paid by the deceased member shall exceed the face value of the annuity policies providing for death benefits.

(B) If the termination of employment as a Township Police officer shall be due to any reason other than his death, all annuity policies purchased on his account shall be cashed by the Township. However, such former member shall, immediately upon the

cashing of said policies, be paid out of the cash proceeds thereof an amount equal to the total of the charges contributed by him without interest and the balance of the cash proceeds shall become a part of the general assets of the pension fund.

SECTION VIII. (A) Members shall pay into the fund monthly an amount equal to two per centum (or such other rate as the Township Supervisors may by resolution from time to time establish, but in no case less than two per centum) of that portion of monthly compensation on which social security allowances are payable and five per centum of any monthly compensation in excess of that on which social security allowances are payable. The aforesaid member contributions, together with the other sources of revenue as herein provided, shall be devoted exclusively to the purposes of this Ordinance. All funds not required for the purchase of annuity policies shall be retained as a reasonable reserve for the purchase of additional annuity coverage, and pending expenditure for such purpose, shall be invested in such securities as the Township Supervisors shall from time to time direct.

(B) Any additional funds necessary for the purchase of annuities or for the establishment and maintenance of adequate reserves shall be the obligation of the Township and shall be paid by it to the pension fund by annual appropriations.

(C) The payments made by the State Treasurer to the Township for moneys received from taxes paid upon premiums by foreign casualty insurance companies for the purchase of pension retirement or disability benefits for policemen shall be used as follows: (1) to apply against the annual obligation of the Township for the maintenance and operation of the pension plan hereby established, or to the extent that the payment may be in excess of such obligation, (2) to reduce member contribution.

Unless otherwise specifically provided, any other moneys paid into the police pension fund shall be applied equally against the member and municipal portions of the said cost of operation.

(D) The Supervisors may by resolution, if the police pension fund is actuarially sound, waive the necessity of contribution by the members of the police force and appropriations from the Township general fund.

SECTION IX. All annuity policies and other assets and liabilities of members in the police pension fund heretofore established under the Act of June 21, 1963, P.L. 752 as amended shall continue and be administered under this Ordinance.

SECTION X. No person participating in the police pension fund established pursuant to this Ordinance or Ordinance No. 66-4 who becomes entitled to receive a benefit therefrom, shall be deprived of his right to an equal proportionate share therein upon the basis upon which he first became entitled thereto.

SECTION XI. The pension payments herein provided for shall not be subject to attachment, execution, levy, garnishment or other legal process and shall be payable only to the member or his designated beneficiary and shall not be subject to assignment or transfer.

SECTION XII. The expense of the administration of this fund, exclusive of the payments of retirement allowances, shall be paid by the Township by appropriations made by the Supervisors.

SECTION XIII. Any member of the police force who has been a regular appointed employee of the Township for a period of at least six (6) months and who thereafter shall enter into the military service of the United States, shall have credited to his

employment record for pension or retirement benefits all of the time spent by him in such military service, if such person returns or has heretofore returned to his employment within six (6) months after his separation from the service.

SECTION XIV. The Supervisors may by Resolution appoint an actuary to examine the fund from time to time for compiling a report to any agency of the Commonwealth and shall fix his compensation to be paid from the Township general fund.

SECTION XV. An Ordinance enacted the nineteenth day of November 1966, No. 66-4, entitled, "An Ordinance Authorizing the Township to Secure Pension Annuity Contracts for the Benefit of Township Policemen" is repealed.

SECTION XVI. This Ordinance shall be effective on the day of October, A.D., 1973.

ENACTED and ORDAINED this 20 day of OCTOBER A.D., 1973.

HILLTOWN TOWNSHIP SUPERVISORS






