

AN ORDINANCE OF BUFFALO TOWNSHIP, WASHINGTON COUNTY, COMMONWEALTH OF PENNSYLVANIA, ELECTING TO ENROLL 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 JOINING UNDER THE PROVISIONS OF THIS ARTICLE: STATING WHICH OF CERTAIN OPTIONS PERMITTED UNDER THE SAID LAW ARE ACCEPTED BY THE TOWNSHIP. BE IT ORDAINED AND ENACTED BY BUFFALO TOWNSHIP, WASHINGTON COUNTY, AS FOLLOWS:

SECTION I. Buffalo Township hereby elects to enroll its municipal employees in the Pennsylvania Municipal Retirement System, as authorized by the Pennsylvania Municipal Retirement Law, Act 15 of 1974 as amended, with the express purpose of having the Pennsylvania Municipal Retirement System administer the retirement plan established by the Township for the municipal employees. The Township does hereby agree to be bound by all the requirements and provisions of said Law and to assume all obligations, financial and otherwise, placed upon member municipalities. All references hereafter shall be based on benefits negotiated between the Board and the municipality under the provisions of Article IV of the Pennsylvania Municipal Retirement Law.

SECTION II. Membership in the Pennsylvania Municipal Retirement System shall be mandatory for all permanent municipal employees of the Township. 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 service toward the annuity of each original member shall begin to accrue on October 1, 1991 or from the member's original date of hire, or the expiration of the member's probationary period if one so existed, which ever is most recent. Benefits provided to members in the agreement dated October 3, 2001, shall accrue based on all credited service granted and earned in accordance with this section.

SECTION IV. Payment for any obligation established by the adoption of this ordinance and the agreement between the System and Buffalo Township shall be made by the Township 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 Township agrees that the system shall provide the benefits set forth in the agreement between the Board and Buffalo Township, dated October 3, 2001. The passage and adoption of this ordinance by Buffalo Township is an official acceptance of said agreement and the financial obligations resulting from the administration of said benefit package. Buffalo Township hereby assumes all liability for any unfundedness created due to the acceptance of the benefit structure outlined in the above-referenced agreement.

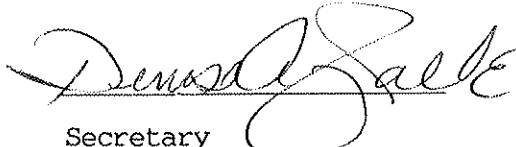
SECTION VI. Buffalo Township intends this ordinance to be the complete authorization of the Township's municipal pension plan.

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 pension plan of Buffalo Township in the Pennsylvania Municipal Retirement System shall be effective the first day of October, 2001.

ORDAINED this 3rd day of October, 2001.

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Attest:

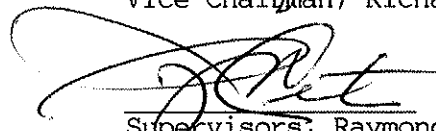
  
Secretary

JBA:LAP:kagm  
08/31/01

BUFFALO TOWNSHIP  
BOARD OF SUPERVISORS

  
Chairman, Lloyd Swiger

  
Vice Chairman, Richard Folle

  
Supervisors, Raymond L. Calvert

BUFFALO TOWNSHIP MUNICIPAL EMPLOYEE  
PENSION PLAN AGREEMENT

AN AGREEMENT, dated this 3rd day of October, 2001, by and between Buffalo Township (the Township) 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, Buffalo Township desires to establish a pension plan for its municipal employees and has negotiated an optional retirement plan contract with the Pennsylvania Municipal Retirement System;

NOW THEREFORE, the Pennsylvania Municipal Retirement Board and Buffalo Township 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 Township. 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 Township entered into the Pennsylvania Municipal Retirement System or upon the expiration of the individual's probationary status, whichever is more recent.

Credited service shall accrue from the original member's date of hire, or the expiration of the member's probationary period if one so existed, or October 1, 1991, whichever is most recent. Credited service time earned prior to the enrollment of the Township into the System shall be known as prior service.

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

2. Superannuation Retirement: Eligibility for a superannuation retirement shall occur upon the member's attainment of sixty-two (62) years of age or older and the completion of at least five (5) years of credited service.

3. Basic Benefit: The basic annual benefit shall be equal to one percent (1%) of the member's final salary multiplied by all years of credited service.

4. Final Salary: The final salary shall be the average annual compensation earned and paid during the member's highest five (5) consecutive 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 separated from employment after twenty (20) years of credited service may retire early. Benefits will be actuarially reduced for each year or partial year thereof that early retirement takes place prior to age sixty-two (62).

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 Pennsylvania Municipal Retirement Board on a disability allowance 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 shall be 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."

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 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 the disability annuitant's 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: When a member dies and the member has:

- (a) met the requirements for a superannuation retirement found in Section 2 of this agreement but has not yet retired; or,

- (b) met the requirement for vesting found in Section 10 of this agreement but has not yet vested; or,
- (c) actually elected to vest a benefit but has failed to attain superannuation retirement age,

a death benefit shall then be paid to the member's named beneficiary. The death benefit shall be a payment equal to the present value of the accrued benefit as of the date of the member's death.

A member who is entitled to a superannuation retirement allowance because of meeting the requirements found in Section 2, or a member who is eligible to vest or who has vested in accordance with Section 10 of this agreement may file a written application for a retirement benefit, selecting a retirement option and requesting that such election become effective upon the death of the member. The application must be filed with the Pennsylvania Municipal Retirement Board on a PMRB-8 form. The application shall be held by the Board until 1) the member files a later application (PMRB-8) for a retirement allowance or 2) the death of the member.

If no application for retirement was pre-filed by a member who dies and who was eligible for the death benefit found in this Section, it shall be considered that the member elected Option 1 as provided in Section 12 of this agreement. In such event the payment under Option 1 shall be made to the beneficiary designated in the Nomination of Beneficiary form (PMRB-2) on file with the Board or in the absence of such a form, the estate of the member.

8. Military Service: Any member employed by the Township who enters the uniformed services as defined by the 1994 Uniformed Services Employment and Re-Employment Rights Act (P.L. 103-353) and returns to the Township to again be a member of the plan within the authorized time period of the law, shall have the authorized time spent in such service credited to the member's employment record for pension or retirement benefits if the individual makes the required employee contributions.

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 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. Payment shall be made by payroll deductions and transmitted to the System in accordance with established System procedures. Member contributions will be treated as taxed at the time they are made to the System, will be tracked separately, and will not be treated as taxable when paid out to the member.

If a member terminates prior to becoming eligible for any benefit or the member elects not to receive a benefit, that individual shall be entitled to all accumulated contributions, interest and any excess investment monies allocated to the member's account.

10. Vesting: After five (5) 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 the superannuation age requirement found in Section 2 of this agreement, a basic benefit will be calculated in accordance with Section 3 of this agreement.

11. Portability: When a member leaves the employ of the Township and enters within one year of separation into the employ 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, the municipal liability for past service shall be prorated by the System between the municipalities on an equitable basis.

12. Optional Forms of Benefit Payment: 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 the 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 will actuarially determine the normal cost of the plan and any liability associated with the plan's actuarial experience which shall be contributed annually by the municipality for the service credits of the members. If applicable, any additional amount which shall be contributed annually toward a reserve account for the disability allowances which may be payable in accordance with this agreement shall also be determined and charged the municipality.

The amounts so determined shall be computed in accordance with the requirements of Act 205 of 1984, the Municipal Pension Plan Fund Standard and Recovery Act, and Act 15 of 1974, the Pennsylvania Municipal Retirement Law, and subsequent amendments to either 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 the individual 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 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 the individual 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 Buffalo Township.

17. Effective Date: This agreement shall be effective the first day of October, 2001, with the acceptance of the same by Buffalo Township and the Pennsylvania Municipal Retirement Board. Termination of this agreement shall be in accordance with Section 412 of Act 15 of 1974.


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

ATTEST:

BUFFALO TOWNSHIP,  
WASHINGTON COUNTY

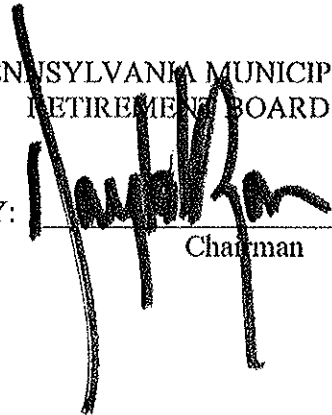
BY:   
Secretary

BY:   
Chairman

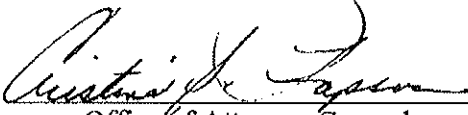
ATTEST:

PENNSYLVANIA MUNICIPAL  
RETIREMENT BOARD

BY:   
Secretary

BY:   
Chairman

Approved as to form and legality:

BY:   
Office of Attorney General

BY:  04/07/02  
Office of General Counsel

BY:   
Chief Counsel

JBA:LAP:kagm  
08/31/01