

OFFICIAL

BOROUGH OF AVALON

ORDINANCE NO. 1091

AN ORDINANCE OF THE BOROUGH OF AVALON, ALLEGHENY COUNTY, COMMONWEALTH OF PENNSYLVANIA FOR THE ESTABLISHMENT OF AN EMPLOYEE PENSION AND WELFARE PLAN; PROVIDING FOR THE REGULATION AND MAINTENANCE THEREOF; AND PRESCRIBING RIGHTS, BENEFITS AND DUTIES OF THE MEMBERS THEREOF; AND REPEALING ORDINANCE NO. 972 OF THE BOROUGH OF AVALON.

BE IT ENACTED AND ORDAINED by the authority of the Council of the Borough of Avalon, and it is hereby ordained and enacted by the authority of the same.

ARTICLE I
DEFINITIONS

Section 1.01 - Borough -

Shall mean the Borough of Avalon, Avalon, Pennsylvania.

Section 1.02 - Plan -

Shall mean the Avalon Borough Employees Pension and Welfare Fund Program as established by this Ordinance.

Section 1.03 - Employee -

Shall mean an employee of the Borough exclusive of any and all police employees who are eligible and participants under police pension legislation as mandated by the Commonwealth of Pennsylvania.

Section 1.04 - A Full-Time Employee -

Shall mean an employee as defined in Section 1.03 who shall be employed on a normal schedule of employment of 52 weeks per year on a five (5) day week and a minimum of thirty-seven (37) hours per week with paid vacation time considered as normal employment.

Section 1.05 - A Participant -

Shall mean a full-time employee who becomes enrolled and covered under the benefits of the Plan.

Section 1.06 - Basic Monthly Salary for Salaried Employees -

Shall mean the regular gross pay the employee shall receive for a normal monthly salary period. No bonuses, over-time pay, commissions, or any other types of additions to basic salary shall be taken into consideration.

Section 1.07 - Basic Monthly Salary for Hourly Employees -

Shall be determined on the current basic hourly rate as may be paid from time to time, exclusive of overtime, multiplied by 2080, divided by 12, to establish a basic monthly salary on an equivalent 40 hour work week.

Section 1.08 - Anniversary Date -

Shall mean June 1st of each year, including June 1, 1962.

Section 1.09 - Normal Retirement Date -

Shall mean anniversary date of this plan nearest the participant's sixty-fifth (65th) birthday.

Section 1.10 - Normal Retirement Income -

Shall mean the amount of monthly income payments to be made to a participant beginning at normal retirement date.

Section 1.11 - A Beneficiary -

Shall mean any person or persons designated in writing by a Participant to receive any benefits which may be due under this Plan on his death; and, if there shall be no such designation, or the designated beneficiary should pre-decease the Participant, it shall mean the estate of the Participant.

Section 1.12 - The Board of Trustees-Committee -

Shall mean a Committee consisting of the President of the Borough Council, the Chairman of the Finance Committee, and the Chairman of the Street Committee. The Board of Trustees shall also be known as Committee under the terms and conditions of this Ordinance.

for the purpose of providing the benefits under the Plan for the participating employees, and shall be known as the "Avalon Borough Employees Pension and Welfare Fund."

ARTICLE II
PENSION COMMITTEE - DUTIES AND RESPONSIBILITIES

Section 2.01 -

The Committee or Trustees shall receive and disperse all sums of money placed in the Fund and applicable to the purpose described in this Ordinance. All checks disbursing money from the Fund shall be signed by all three (3) of the Committee members as members of the Board of Trustees of the Avalon Borough Employees Pension and Welfare Fund.

Section 2.02 -

The Committee shall use the same depository that the Borough of Avalon constituted or constitutes at its normal reorganization meetings.

Section 2.03 -

The Committee shall be the applicant for contracts of insurance and/or annuities as may be required from time to time for the participants and are empowered to execute all forms and documents as may be required from time to time in the normal operation of the Plan. The Committee may authorize any one of its members to sign as applicant for insurance contracts and/or annuities.

Section 2.04 -

The Committee shall pay premiums on contracts of insurance and/or annuities issued for the Participants as they become due.

Section 2.05 -

The Committee shall keep a record of all income and disbursements and advise the Council of the financial requirements of

Section 2.06 -

The Committee is subject to all normal fiduciary duties imposed upon any trustee by law and the Committee in whole or as individuals shall act in pursuance of this Ordinance as agents of the Borough. All actions of the Committee must be by majority vote.

ARTICLE III
THE FUND

Section 3.01 -

There is hereby established an employee pension and welfare plan for full-time employees of the Borough who may be employed at the inception of the Plan or employed in the future and in conjunction with this Act there shall be established a Fund to be known as the "Avalon Borough Employees Pension and Welfare Fund."

Section 3.02 -

The Fund shall be created and maintained by annual appropriations from the Borough sufficient to provide the benefits hereinafter set forth and may be supplemented by gifts, grants, devises or bequests and/or other donations as may be received from time to time.

ARTICLE IV
ELIGIBILITY REQUIREMENTS - WHO SHALL PARTICIPATE

Section 4.01 -

All present full-time employees shall participate in the Plan as of the date of its inception.

Section 4.02 -

Future full-time employees with one year of service and having reached a minimum age of twenty-four (24) shall become participants on the anniversary date of the Plan next following

ARTICLE V
PENSION BENEFITS

Section 5.01 -

Upon attaining a normal retirement age of sixty-five (65), each participant employee shall be provided a monthly pension income based on the number of full years of service to the Borough from date of employment to normal retirement date and the basic monthly salary.

Section 5.02 -

The monthly pension income shall be computed on a percentage of the basic monthly salary determined on a schedule of one per cent for each full year of employment prior to June 1, 1962, but not to exceed ten (10) years of such service prior to June 1, 1962, plus one per cent for each full year of employment following June 1, 1962, to normal retirement date, but in any event, the total percentage of past and future service shall not exceed thirty-five (35) per cent of basic monthly salary. All pensions for each year shall be computed by taking the average of the last five (5) years salary of said employee.

Section 5.03 -

All computations shall be calculated on the anniversary date of June 1, 1962, for all presently eligible employees, and all computations for future eligible employees shall be calculated from the June first (1st) anniversary date next following their date of employment.

Section 5.04 -

Pension increases or decreases due to changes in basic monthly salary shall be computed each anniversary date by applying one (1) per cent for each year of service to normal retirement age against the salary increase or decrease; but no increase or decrease shall become effective unless and until such increase

ARTICLE VI
RETIREMENT

Section 6.01 -

The monthly income payments to a retired participant shall be computed on a Ten (10) Year Certain and Life Option with the retired participant having the privilege of electing an actuarial equivalent income on other life incomes with guarantees as are available through the provisions of the contracts issued by the insuring company; i.e. life income payment of equal monthly installments for a guaranteed number of years, fifteen (15) years or twenty (20) years certain and as much longer as the participant shall live or a joint and survivorship option.

Section 6.02 -

In the event of retirement beyond the normal retirement age of sixty-five (65), no additional pension benefits shall be created due to extended service.

Section 6.03 -

In the event of retirement prior to normal retirement age for either early retirement or disability such income payments as shall be available to the retired participant shall be the actuarially reduced monthly income with a Ten (10) Year Certain and Life Option or any optional method of paying as provided in Section 6.01.

Section 6.03A -

Early retirement shall not be considered until participating employee shall have fifteen (15) years of service and attained a minimum age of sixty (60). Any participant applying for such consideration shall advise the Committee who in turn will submit the request to the Council with the Committee's recommendation. The Council will then determine such action at its discretion and direct the Committee accordingly.

Section 6.03B -

Disability shall be defined as disability for Social Security purposes. The vested interest of the participant as of the termination of his employment for reasons of disability shall be One Hundred (100%) per cent of the total value of the contracts on the participant's life and participant's investment account attributable to employer contributions. The Committee shall apply the value vested interest to provide actuarially reduced monthly income payments with a Ten (10) Year Certain and Life Option or any additional method of paying as provided in Section 6.01. Such actuarially reduced monthly income payments shall commence with the date of disability.

Section 6.04 -

Any retirement for disability shall be on the same basis as outlined for early retirement in Section 6.03.

ARTICLE VII
CONTRACT COVERAGE PLANNING

Section 7.01 -

All insurable employees will be provided with a death benefit One Hundred (100) times its pension benefit not to exceed the maximum of Fifteen Thousand (\$15,000.00) Dollars. The policy will be issued on an ordinary life basis.

Section 7.02 -

All uninsurable employees will be provided with a graded death benefit policy issued on an ordinary life basis.

Section 7.03 -

The Committee or Trustee shall set up and maintain an auxiliary fund. The contributions to auxiliary fund will be based on a yearly actuarial calculation.

ARTICLE VIII
DEATH BENEFITS

Section 8.01 -

The death benefit under the pension plan will be the insurance policy issued on each participant's life. Each participant will be permitted to name his beneficiary or beneficiaries.

ARTICLE IX
TERMINATION OF EMPLOYMENT

Section 9.01 -

Termination of employment by any participant prior to normal retirement, disability or death the participant's vested interests shall be that percentage of the total value of the contracts on the participant's life and the participant's investment account attributable to the employer contributions. Percentage will be based on the following schedule:

After five (5) years of plan participation, 25% plus 5% per annum for years 6 - 10, then 10% per annum for years 11 - 15 to a maximum of 100%.

ARTICLE X
EFFECTIVE DATE

Section 10.01 -

The Borough Council hereby directs and authorizes the Committee to secure contracts of insurance and annuities to effectuate and continue the Plan as herein contained in this Ordinance. The effective anniversary date of this Pension and Welfare Plan shall be as of June 1, 1962.

ARTICLE XI

Section 11.01 -

This Ordinance specifically repeals Ordinance No. 972 of the Borough of Avalon, ordained and enacted into a law by the

ARTICLE XII

Section 12.01 -

Any Ordinance, or part of Ordinance, inconsistent or conflicting with the provisions of this Ordinance be and the same is hereby repealed.

THIS ORDINANCE ordained and enacted into a law in Council this 12th day of SEPTEMBER, 1975.

ATTEST:

Rayo S. Costello
Secretary of Council

Edwin B. Green
President of Council

THIS ORDINANCE EXAMINED AND
APPROVED BY ME THIS 12th
DAY OF SEPTEMBER, 1975.

Henry J. Trilmann
Mayor