

ORDINANCE NO. 1271

AMENDMENT TO THE

AVALON BOROUGH POLICE PENSION PLAN

AN ORDINANCE OF THE BOROUGH OF AVALON RELATIVE TO THE ESTABLISHMENT AND MAINTENANCE OF EMPLOYEES PENSION, ANNUITY, INSURANCE AND BENEFIT FUND OR FUNDS, TO AMEND CERTAIN PROVISIONS OF THE PENSION PLAN OR PROGRAM APPLICABLE TO THE EMPLOYEES OF SAID BOROUGH.

WHEREAS, the Borough of AVALON (the "Borough") has previously enacted an Ordinance establishing the Borough of AVALON Pension Plan (the "Plan"); and

and WHEREAS, the Plan was totally amended and restated, effective 12/28/2000;

WHEREAS, the Employer reserved the right to amend the Plan pursuant to section 10;

WHEREAS, the Employer now desires the Plan to be further amended;

BE IT RESOLVED by the Borough Council and it is HEREBY RESOLVED AND ENACTED by authority of the same:

Effective January 1, 2002, sections 1.19 and 4.09 are amended in their entirety by deleting the said sections and substituting new sections 1.19 and 4.09 as follows:

1.19 "Employment" shall mean for the purpose of determining Aggregate Service:

- (a) 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;
- (b) 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);
- (c) Any period during which an Employee is entitled to disability benefits under this Plan, provided that the Employee returns to Employment within three (3) 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; and

- (d) 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 member of the Employer's police force for a period of at least six (6) months immediately prior to the period of military service; and the Participant returns to Employment within six (6) 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
- (e) 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 during such period of qualified military service. The amount of Participant 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 twelve (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 reemployment and ends on the earlier of the date that ends the period that has a duration of three (3) times the period of qualified military service or the date that is five (5) years after the date of reemployment.

4.09 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 described in this section 4.09 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 sixty-two (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 sixty-two (62); however, the reduction shall not reduce the limitation below seventy-five thousand dollars (\$75,000.00) for a benefit commencing at or after age fifty-five (55), or if the benefit commences prior to attainment of age fifty-five (55) the amount which is actuarially equivalent to a benefit of seventy-five thousand dollars (\$75,000.00) commencing at age fifty-five (55); however, in the case of a

qualified Participant (a Participant with respect to whom a period of at least fifteen (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 section 415(b)(2)(G) and such amount shall be adjusted pursuant to Code section 415(d);

- (c) in the case of a benefit which commences after attainment of age sixty-five (65) by the Participant, the limitation herein shall be adjusted on an actuarially equivalent basis to the amount determined herein commencing at age sixty-five (65);
- (d) benefits paid to a Participant which total less than ten thousand dollars (\$10,000.00) 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, with fewer than ten (10) years of participation, the limitation expressed in this subsection (d) shall be reduced by one-tenth (1/10) for each year of participation less than ten (10) but in no event shall this limitation be less than one thousand dollars (\$1,000.00);
- (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 (1) defined benefit plan and to all defined contribution plans maintained by the Employer as one (1) 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; and
- (f) in the case of a disability retirement benefit or a survivor benefit, 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.

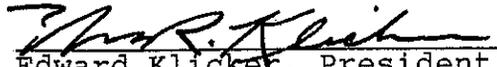
RESOLVED this 9th day of February, A.D., 2002.

ATTEST:

BOROUGH OF AVALON



Harry W. Dilmore
Secretary/Mgr.


Edward Klickef, President


Daniel Bricmont, Mayor