

ORDINANCE NO. 1369

FIRST AMENDMENT TO THE
BOROUGH OF AVALON POLICE PENSION PLAN
(as amended and restated, effective January 1, 2014)

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 POLICE EMPLOYEES OF SAID BOROUGH:

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

WHEREAS, the Plan was totally amended and restated, effective January 1, 2014; and

WHEREAS, the Borough reserved the right to amend the Plan pursuant to Section 10.01;
and

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

BE IT ORDAINED AND ENACTED BY THE BOROUGH COUNCIL AND IT IS HEREBY ORDAINED AND ENACTED by authority of the same:

Effective January 1, 2017, the Plan shall be amended by deleting section 1.20 in its entirety and replacing said section with the following section 1.20:

- 1.20 "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 benefit 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;

- (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.
- (f) Any period of voluntary or involuntary military service with the armed forces of the United States of America not to exceed a total of five (5) years which occurred prior to the date on which a Participant first became employed as an Employee of the Employer, provided that the Participant shall purchase such credit and that such Participant is not entitled to receive, eligible to receive or is receiving retirement benefits for such military service under a retirement system administered and wholly or partially paid for by any other governmental agency except military retirement pay earned by a combination of active and nonactive duty with a reserve or national guard component of the armed forces which is payable upon the attainment of a specified age and period of service under 10 U.S.C. Ch. 67 (relating to retired pay for non-regular service). The purchase price for such service shall be computed by multiplying the average normal cost rate for the Plan as certified by the Municipal Pension Reporting Program of the Department of the Auditor General (previously known as the Public Employee Retirement Commission) and not to exceed ten percent (10%) times the Participant's average annual rate of Compensation during the first three (3) years of Employment and multiplying the result times the number of years and fractions thereof being purchased. Interest shall be paid at a rate of four and three quarters

percent (4.75%) compounded annually from the first date of Employment to the date of payment.

“Employment” shall not mean for the purpose of determining Aggregate Service:

- (g) Any period of disability for a Participant who was disabled as a result of a non-service related disability.

ORDAINED AND ENACTED this 21 day of February, A.D., 2017.

ATTEST:

Serraine Makatura

BOROUGH OF AVALON

[Signature]
President of Council