

COUNCIL BILL NO. 1902**INTRODUCED BY: Edward Walsh****ORDINANCE NO. 1804**

CITY OF DUBOIS

CLEARFIELD COUNTY, PENNSYLVANIA

AN ORDINANCE OF THE CITY OF DUBOIS, CLEARFIELD COUNTY, PENNSYLVANIA, PROVIDING FOR THE AMENDMENT OF THE NONUNIFORMED PENSION PLAN FOR EMPLOYEES HIRED ON OR AFTER JANUARY 1, 2013.

WHEREAS, The City of Dubois (hereinafter "City") established a retirement system for its non-uniformed employees in 1971 (Ordinance No. 1147) and participated in the Pennsylvania Municipal Retirement System thereafter;

WHEREAS, The City updated the retirement system for its non-uniformed employees by switching to an Article IV plan by Resolution in 1977 and executing a Pension Plan Agreement in 1995 (Ordinance No. 1543);

WHEREAS, The City withdrew from the Pennsylvania Municipal Retirement System on November 14, 2011 (Ordinance No. 1770) and transferred its pension assets to Nationwide Financial effective January 1, 2012 (Ordinance No. 1776) (hereinafter "Non-Uniform Pension Plan");

WHEREAS, The Auditor General of the Commonwealth of Pennsylvania subsequently conducted a compliance audit of the Non-Uniform Pension Plan and made detailed findings and recommendations;

WHEREAS, The City now desires to amend its Non-Uniform Pension Plan, with the consent of SEIU/PSSU Local 668, for new hires whose initial date of employment with the City is on or after January 1, 2013 in order to comply with the Auditor General's findings and recommendations and the Third Class City Code; and

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the Council of the City of DuBois, Clearfield County, Pennsylvania, that the Non-Uniform Pension Plan (Ordinance No. 1776) shall be amended. The current text of Sections 4.1, 4.2, 4.10, and 5.2 shall be replaced with the following:

4.1 Eligibility for Normal Retirement**A. Employees Hired Before January 1, 2013**

A Participant in the Plan may retire from active employment on the first day of the month following the attainment of age sixty (60); provided that the Participant has completed twelve (12) or more years of service with the Employer.

B. Employees Hired On or After January 1, 2013

A Participant in the Plan may retire from active employment on the first day of the month following the attainment of age sixty (60); provided that the Participant has completed twenty (20) or more years of service with the Employer.

4.2 Normal Retirement Benefit**A. Employees Hired Before January 1, 2013**

A Participant who shall complete the age and service requirements as set forth in this Article shall receive a pension for life in the amount equal to two and one-

half percent (2.50%) multiplied by years of credited service with a maximum benefit of ninety percent (90%), times the Participant's average monthly salary over the Participant's highest five (5) consecutive years of employment.

Subject further to those limitations imposed by the statutes of the Commonwealth of Pennsylvania, no offset or reduction from the benefit here provided for shall be made for any social security retirement benefits, workmen's compensation, or other benefits to which the Participant is also entitled.

The benefit herein provided shall be payable solely from the assets of the Plan.

B. Employees Hired On or After January 1, 2013

A Participant who shall complete the age and service requirements as set forth in this Article shall receive a pension for life in the amount equal to fifty percent (50%) of the employee's average annual salary or wages received during the last or any five (5) years of employment, whichever is higher.

Subject further to those limitations imposed by the statutes of the Commonwealth of Pennsylvania, no offset or reduction from the benefit here provided for shall be made for any social security retirement benefits, workmen's compensation, or other benefits to which the Participant is also entitled.

The benefit herein provided shall be payable solely from the assets of the Plan.

4.3 Early Retirement Benefit

A. Employees Hired Before January 1, 2013

A participant who has been involuntarily terminated after eight (8) years of credited service or who has separated voluntarily 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 (60).

B. Employees Hired On or After January 1, 2013

A participant who has completed at least twenty (20) years of service, but has not yet attained age sixty (60), shall be entitled to a pension at age sixty (60) if the participant continues paying monthly employee's contributions equal to the last amount due while in active employment until the employee reaches age sixty (60).

4.4 Disability Benefit

A. Employees Hired Before January 1, 2013

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 City on a disability allowance if the physician designated by the City, after medical examination of the member shall certify to the City 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, no minimum period of service shall be required for eligibility.

A disability annuity 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."

Any member with eight (8) or more years of credited service entitled to retire for disability may, in lieu of such retirement, elect to retire not voluntarily under the provisions of Section 4.3.

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 City shall pay to the named beneficiary (if living, or if the named beneficiary predeceased the annuitant, or no beneficiary was named, then to 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.

B. Employees Hired On or After January 1, 2013

Should an employee become totally and permanently disabled, after ten (10) years of service and before attaining the age of sixty (60) years, the employee shall be entitled to the pension. Proof of total and permanent disability shall consist of a sworn statement from three (3) practicing physicians, designated by the board, that the employee is in a permanent condition of health which would permanently disable the employee from performing the duties of the position or office.

The member shall be eligible to receive a Normal Retirement Benefit, which shall not be reduced by eligibility for or receipt of Social Security benefits.

Any member with twenty (20) or more years of credited service entitled to retire for disability may, in lieu of such retirement, elect to retire not voluntarily under the provisions of Section 4.3.

4.10 Cost of Living Adjustment

A. Employees Hired Before January 1, 2013

An annual cost of living adjustment may be provided to a retired Participant effective the first January following at least one year from the initial date of retirement. The amount of such increase is subject to the limitations as noted hereinafter:

- a. Such an increment shall not exceed the percentage increase in the Consumer price Index as published by the Social Security Administration each year.
- b. In no case may the Participant's total pension benefits exceed ninety percent (90%) of the retired Participant's salary for computing retirement benefits.
- c. The retired Participant's total cost of living adjustments shall not exceed thirty percent (30%) of the retiree's original pension benefit.

Effective January 1, 2012, a cost of living adjustment shall be provided to all retirees and/or survivors who are receiving benefits as of December 31, 2011. The amount of the adjustment shall be equal to three and six-tenths percent (3.6%).

B. Employees Hired On or After January 1, 2013

The cost of living adjustment to the Normal Retirement Benefit is hereby eliminated because such benefit is not permissible under the Third Class City Code.

5.2 Contributions of Participants

A. Employees Hired Before January 1, 2013

Participants shall contribute three and one-half percent (3.5%) of their total compensation to the funding of the Plan. Such mandatory member contributions made since January 1, 1987 shall be picked up by the City and shall be treated as the employer's contributions in determining tax treatment under the United States Internal Revenue Code for the Federal tax purposes. For all other purposes, such pick-up contributions shall be treated as contributions made by 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.

Any future changes in the contributions requirement for Participants may be enacted by an ordinance or resolution.

B. Employees Hired On or After January 1, 2013

Participants shall contribute three and one-half percent (3.5%) of their total compensation to the funding of the Plan. Such mandatory member contributions made since January 1, 1987 shall be picked up by the City and shall be treated as the employer's contributions in determining tax treatment under the United States Internal Revenue Code for the Federal tax purposes. For all other purposes, such pick-up contributions shall be treated as contributions made by 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 a return of the total amount paid to the pension fund by the member without interest.

Any future changes in the contributions requirement for Participants may be enacted by an ordinance or resolution.

6.2 Purchase of Non-Intervening Military Service

A. Employees Hired Before January 1, 2013

A service credit may be purchased for each year of military service or fraction thereof, not to exceed five years, by any Participant of the Plan provided the Participant has completed five (5) years of service to the municipality subsequent to such military service. The amount due for the purchase of credit for military service, other than intervening military service, shall be computed by applying the average normal cost rate for the City's Non-Uniformed Pension Plan, as certified by the Public Employee Retirement Commission, but not to exceed ten per centum, to the member's average annual rate of compensation over the first three years of municipal service and multiplying the result by the number of years and fractional part of a year of creditable non-intervening military service being purchased together with interest at the rate of six per centum (6%) compounded annually from the date of initial entry of municipal service to the date of payment.

Any Participant of the Plan shall be eligible to receive service credit for intervening or non-intervening military service as provided herein provided that the member is not entitled to receive, eligible to receive now or in the future, or is receiving retirement benefits for such service under a retirement system administered and wholly or partially paid for by any other governmental agency with the exception of a member eligible to receive or receiving military retirement pay earned by a combination of active duty and non-active duty with a reserve or national guard component of the armed forces which retirement pay is payable only 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 services).

B. Employees Hired On or After January 1, 2013

The credit for military service is hereby eliminated because such benefit is not permissible under the Third Class City Code.

ORDAINED and ADOPTED this 12th day of January, 2015.

ATTEST:


John Suplizio
City Manager

CITY OF DUBOIS


Gary D. Gilbert
Mayor

APPROVED BY COUNCIL:
01/12/15


Approved