

TOWNSHIP OF RADNOR
ORDINANCE 2020-09

AN ORDINANCE OF RADNOR TOWNSHIP AMENDING CHAPTER 62, PENSIONS AND ANNUITIES, REPEALING SECTIONS 62-1 THROUGH 62-13 OF ARTICLE I, CIVILIAN EMPLOYEES' PLAN RELATING TO THE ESTABLISHMENT AND MAINTENANCE OF TOWNSHIP EMPLOYEES' PENSION BENEFIT FUNDS, AMENDING CERTAIN PROVISIONS OF THE PENSION PLAN APPLICABLE TO THE NON-UNIFORMED EMPLOYEES OF THE TOWNSHIP, AND ESTABLISHING A RESTATED DEFINED BENEFIT PLAN AND A DEFINED CONTRIBUTION PLAN IN ITS ENTIRETY

BE IT ORDAINED AND ENACTED by the Board of Commissioners ("Board") of the Township of Radnor, Pennsylvania ("Township"), as follows:

Section One. Chapter 62, Pensions and Annuities, Article 1, Civilian Employees' Plan is hereby repealed and replaced by the document attached hereto as Exhibit "A" establishing two new restated ARTICLES titled ARTICLE I-A, CIVILIAN EMPLOYEES-DEFINED BENEFIT PROVISIONS and ARTICLE I-B, CIVILIAN EMPLOYEES- DEFINED CONTRIBUTION PROVISIONS

Section Two. In accordance with Section 1-10 of the Code of the Township of Radnor, Exhibit "A" attached to this ordinance and the provisions therein shall be renumbered as necessary to incorporate into the Code.

Section Three. The provisions of the plan document attached hereto as Exhibit "A" shall be effective June 1, 2020.

Section Four. This Ordinance shall take effect in accordance with the Radnor Township Home Rule Charter.


Section Five. Repealer. That any Ordinances, or parts of Ordinances, conflicting with this Ordinance is hereby repealed to the extent of such inconsistency.

Section Six. Severability. If any sentence, clause, section or part of this Ordinance is for any reason found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this Ordinance. It is hereby declared as the intent of Radnor Township that this Ordinance would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part thereof not been included herein.

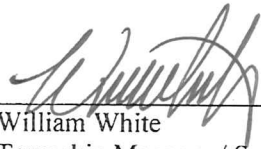
ENACTED and ORDAINED, this 8th day of June, 2020.

RADNOR TOWNSHIP

By:


Name: Jack Larkin
Title: President

ATTEST:


Name: William White
Title: Township Manager / Secretary

CIVILIAN EMPLOYEES PENSION PLAN
RADNOR TOWNSHIP, PENNSYLVANIA

Established January 1, 1957

Amended and Restated
Effective as of June 1, 2020

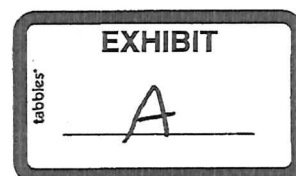


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PREAMBLE

The Township of Radnor established by Ordinance No. 938, approved June 25, 1957, a pension plan for certain employees effective January 1, 1957, which was administered pursuant to Group Annuity Policy No. GA-120 issued by New England Mutual Life Insurance Company. The plan and policy were amended from time to time thereafter.

The pension plan was completely restated effective as of January 1, 1974, and again effective as of January 1, 1990, and has been amended from time to time thereafter.

The Township desires to continue to provide a pension plan for its civilian employees and wants to incorporate all amendments heretofore enacted into the plan document. The Township intends to operate the Plan as a qualified governmental plan pursuant to the Internal Revenue Code, as amended. Therefore, the plan document for the Radnor Township Civilian Employees Pension Plan is completely restated and amended effective January 1, 2020, as follows:

DEFINED BENEFIT PROVISIONS

ARTICLE I. DEFINITIONS

- 1.010 "*Accrued Benefit*" shall mean, as of any given date, the benefit determined under section 5.020.
- 1.020 "*Accumulated Contributions*" shall mean the total amount contributed by any Participant to this Fund or its predecessor by way of payroll deduction or otherwise, plus interest credited at five percent (5%) per annum. Such interest shall be credited and compounded annually from the last day of the Plan Year in which the contribution is deposited until the first day of the month in which distribution shall occur. Accumulated Contributions shall also include an additional amount as set forth in Section 4.050 for each Participant eligible to receive such additional amount.
- 1.030 "*Act*" shall mean the Municipal Pension Plan Funding Standard and Recovery Act, enacted as P.L. 1005 (Act 205 of 1984), as amended.
- 1.040 "*Actuarial Equivalent*" shall mean two forms of payment of equal actuarial present value on a specified date based on mortality according to the UP-1984 Mortality Table and an interest rate of seven percent (7%).
- 1.050 "*Actuary*" shall mean the person, partnership, association or corporation which at a given time is serving as Actuary; provided that such Actuary must be an "Approved Actuary" as defined in the Act.
- 1.060 "*Aggregate Service*" shall mean the total period of the Participant's Employment. Notwithstanding the preceding sentence, any Participant who shall have received a distribution of Accumulated Contributions with respect to a period of Employment, shall not have such period included in Aggregate Service unless, upon recommencement of Employment, the amount so distributed shall be repaid to the Fund with interest, calculated at a rate of seven percent (7%) and in the same manner as described in section 1.020.

- 1.070 "*Basic Monthly Earnings*" shall mean the total compensation of the Employee, whether salary or hourly wages, including overtime pay, holiday pay, longevity pay and any other form of compensation paid by the Employer for services rendered. Basic Monthly Earnings shall also include fixed, periodic amounts paid for periods during which the Participant is not actively employed, which amounts are paid directly by the Employer or through a program to which the Employer has made contributions on behalf of the Employee, other than under this Plan (including, without limitation, a workers' compensation program or payments made under the Pennsylvania Heart and Lung Act, the Family and Medical Leave Act of 1993, or other applicable laws). The compensation used in determining an Employee's Basic Monthly Earnings shall be limited to \$200,000 per Plan Year, adjusted for inflation in accordance with Code Section 401(a)(17).
- 1.080 "*Beneficiary*" shall mean the person or entity designated by the Participant to receive any benefits payable under this Plan by reason of the Death of the Participant unless expressly provided otherwise. In the event that a Participant does not designate a Beneficiary or his/her Beneficiary goes not survive him/her, the Beneficiary shall be his/her surviving spouse; or if there is no surviving spouse, his/her issue, *per stirpes*; or if there is no surviving spouse or surviving issue, his/her parents, if then surviving; or if there is no surviving spouse, issue, or parents, his/her brothers and sisters, if then surviving; or if there is no surviving spouse, issue, parents, or brothers or sisters, his/her estate; but if no personal representative has been appointed, to those persons who would be entered to his/her estate under the intestacy laws of the Commonwealth of Pennsylvania if s/he had died intestate and a resident of Pennsylvania.
- 1.090 "*Board*" shall mean the Board of Commissioners of Radnor Township.
- 1.100 "*Chief Administrative Officer*" shall mean the Township Manager ("Manager") appointed by the Board.
- 1.110 "*Code*" shall mean the Internal Revenue Code of 1986, as amended.
- 1.120 "*Early Retirement Date*" shall mean the first of the month coincident with or next following the month in which a Participant retires if such date is before his/her Normal Retirement Date but on or after the date on which s/he has both completed 15 years of Aggregate Service and has attained age 60.
- 1.130 "*Employee*" shall mean any individual employed by the Employer on a regular full-time and non-seasonal basis. For purposes of this section 1.120, "employed on a full-time basis" means that the individual is normally scheduled to work a minimum of 35 hours per week. "Employee" as used herein shall not include sworn police officers, elected officials, or any appointed management employee with whom the Employer has entered into an individual employment agreement that excludes such official's participation in this pension plan.
- 1.140 "*Employer*" shall mean Radnor Township, a Home Rule Municipality located in Delaware County, Pennsylvania.
- 1.10 "*Employment*" shall mean any period of time for which an Employee is entitled to a Salary paid by the Employer for services rendered and any period for which an Employee is absent from work because of an approved leave of absence. An approved leave of absence shall include (a) any period of time for which salary continuation payments are payable, such as vacation, holidays, sickness or periods covered by entitlement to workers' compensation or similar benefits; (b) any period of

voluntary or involuntary military service so long as the Employee returns to active Employment within six (6) months following such longer period as may be required by law or the terms of a collective bargaining agreement; (c) any period of leave, paid or unpaid, taken under the Family and Medical Leave Act of 1993; and (d) such other period of time which the Board in their sole discretion may determine to be an approved leave of absence.

- 1.150 *"Final Monthly Average Salary"* shall mean the average monthly Salary received by the Participant and paid by the Employer during the last thirty-six (36) months immediately preceding retirement. Any single sum payments for accumulated but unused sick time or other single sum payments to an Employee for performance or other purposes shall not be included in the calculation of Final Monthly Average Salary unless otherwise authorized by collective bargaining or individual employment agreements.
- 1.160 *"Insurer"* or *"Insurance Company"* shall mean a legal reserve life insurance company, which may issue a policy under this plan.
- 1.170 *"Normal Retirement Date"* shall mean the first of the month coincident with or next following the date on which the Participant has attained age 62 and has completed a minimum of five (5) years of Credited Service.
- 1.180 *"Participant"* shall mean an Employee who, prior to December 31, 2013, met the participation requirements of the Plan as provided in section 3.010.
- 1.190 *"Pension Fund"* or *"Fund"* shall mean the fund or funds administered under the terms of this Plan, which shall include all money, property, investments, Policies and Contracts standing in the name of the Plan.
- 1.200 *"Plan"* shall mean the Plan set forth herein, as amended from time to time and designated as the "Radnor Township Civilian Employees Pension Plan."
- 1.210 *"Plan Administrator"* shall mean the Civilian Pension Board appointed by the Board of Commissioners to administer the provisions of the Plan pursuant to Section 2.020. In the event that no appointment of such Pension Board is made, the Plan Administrator shall consist of (a) the Township Manager ("Manager"), (b) the Finance Director, and (c) the Assistant Finance Director or another management official selected by the Manager.
- 1.220 *"Plan Year"* shall mean the 12-month period beginning on January 1 and ending on December 31 of each year.
- 1.230 *"Policy"* or *"Contract"* shall mean a retirement annuity or retirement income endowment Policy (or a combination of both) or any other form of insurance Contract or Policy which shall be deemed appropriate in accordance with the provisions of the Act.
- 1.240 *"Restatement Date"* shall mean, January 1, 1998, the date upon which this amendment and restatement of the Plan becomes effective.
- 1.250 *"Salary"* shall mean regular fixed amounts paid at periodic intervals including regular salary or hourly wages, longevity pay, holiday pay, vacation pay, sick pay, and personal leave pay plus overtime compensation, shift differential, and payments made in accordance with U.S. Department

of Transportation regulations covering drug testing for an Employee required to have and maintain a commercial driver's license, as so authorized by collective bargaining agreements. Salary used to calculate benefits hereunder shall be limited to \$200,000 per year, adjusted for inflation in accordance with Code Section 401(a)(17).

ARTICLE II. ADMINISTRATIVE PROVISIONS

2.010 *Plan Operated Under Supervision of the Board of Commissioners.* The operation of the Plan shall be supervised by the Board. The Board shall have the power and authority, either directly or through the Plan Administrator, to do all acts and to execute, acknowledge and deliver all instruments necessary to implement and effectuate the purpose of this Plan.

The Plan Administrator shall keep such records as may be necessary for the determination of the status of each Participant and the presumptive share of each Participant in the Fund as determined by the Actuary.

The Board shall have authority and shall be charged with the performance of the duties set forth in this Plan, but shall have the authority by general rule or special decision to determine and make provisions for such items necessary for the proper carrying out and enforcement thereof that are not specifically provided by this Plan at all times, subject to change by proper ordinance or resolution.

2.020 *Civilian Pension Board.* The Board of Commissioners at its sole discretion may appoint or direct the Township Manager to convene a Civilian Pension Board to act as Plan Administrator pursuant to Section 2.010. The Civilian Pension Board shall be composed of the following nine (9) individuals, each having one vote on related matters:

- (A) President of the Board of Commissioners, who shall serve as Co-Chair of the Pension Board.
- (B) Another member of the Board of Commissioners, who shall be appointed annually by the President of the Board.
- (C) Township Manager, who shall serve as the Chief Administrative Officer of the Plan and Co-Chair of the Pension Board.
- (D) Finance Director, who shall serve as the Chief Financial Officer of the Plan.
- (E) Assistant Finance Director or another management official selected by the Manager.
- (F) One active Plan Participant selected by the Manager; this employee may not serve for more than four years consecutively.
- (G) Two active Plan Participants, selected by the Radnor Association of Township Employees (RATE) or any successor organization designated to represent certain Participants in collective bargaining.
- (H) One retired employee, who is receiving a monthly pension from the Plan, selected by the Manager in consultation with the Pension Board and RATE.

The Civilian Pension Board shall meet at least once each quarter to discuss the allocation of plan assets, investment performance, and other business related to the Plan. Certain information about Plan participants and retirees (such as pension benefits, beneficiaries, etc.) shall be kept confidential by all Pension Board members.

- 2.030 *Investment Policies.* The Plan Administrator shall develop policies and procedures governing the allocation and investment of all Plan assets. It is the intent of the Board that all assets of the Plan shall be invested in a prudent manner designed to meet the actuarially determined funding needs of the Plan. If it so elects, the Plan Administrator may elect to invest all or a portion of the Pension Fund's assets in Policies issued by an Insurer.

ARTICLE III. PARTICIPATION IN THE PLAN

- 3.010 *Eligibility Requirements.* As a condition of Employment, each Employee shall participate herein as of the date on which his/her Employment first commences or recommences.
- 3.020 *Designation of Beneficiary.* Any new, full-time Employee who becomes a Participant hereunder shall provide a written notice, which designates his/her Beneficiary or Beneficiaries, to the Plan Administrator at the time his/her participation commences. (The Beneficiary shall receive a refund of Accumulated Contributions if such refund is payable pursuant to Section 6.010.) The Participant's election of any such Beneficiary or Beneficiaries may be rescinded or changed, without the consent of the Beneficiary or Beneficiaries, at any time, provided the Participant provides the Employer with written notice of the changed designation.

ARTICLE IV. CONTRIBUTIONS

- 4.010 *Participant Contributions.* Each Participant shall make regular monthly contributions to the Plan at a rate of five percent (5%) of his/her Basic Monthly Earnings.
- 4.020 *Payment of Participant Contributions.* A Participant's contributions shall be deducted from his/her Basic Monthly Earnings in each month, or other periodic increments thereof, of his/her Aggregate Service during which s/he receives payments of Basic Monthly Earnings.
- 4.030 *Reduction of Participant Contributions.* Notwithstanding the preceding Sections 4.010 and 4.020, if an actuarial study performed by the Actuary shows that the condition of the Pension Fund is such that payments into the Pension Fund by Participants may be reduced below the minimum percentages prescribed in Section 4.010, or may be eliminated, and that if such payments are reduced or eliminated, contributions by the Employer will not be required to keep the Pension Fund actuarially sound, the Board of Commissioners may, on an annual basis, by ordinance or resolution, reduce or eliminate payments into the Pension Fund by Participants.
- 4.040 *Payments of State Aid.* Payments of general municipal pension system state aid, or any other amount of state aid received in accordance with the Act from the Commonwealth of Pennsylvania, which are received by the Employer and deposited into the Pension Fund governed by this Plan, shall be used as follows:

- (A) First, to reduce the unfunded liability, or after such liability has been funded;

- (B) Next, to apply against the annual obligation of the Employer for future service costs;
- (C) Or, to the extent that the payment may be in excess of such obligation, to reduce Participant contributions hereunder.

4.040 *Employer Contributions.* The remainder of the annual contributions required under the provisions of the Act, as determined by the Actuary in accordance with the Act, shall become the obligation of the Employer and shall be paid into the Pension Fund by annual appropriations enacted by the Board.

4.050 *Longevity Contributions.* The Employer, to the extent it is able to do so and without using any state aid, shall contribute to an account established on behalf of each Participant after completing ten (10) years of Aggregate Service. The initial amount contributed, calculated from the date of hire of the Participant to the date of completion of fifteen (15) years of Aggregate Service, shall be equal to:

- (A) For Employment prior to January 1, 1986, two percent (2%) of annual earnings;
- (B) For Employment after December 31, 1985, and prior to January 1, 1988, three percent (3%) of annual earnings;
- (C) For Employment after December 31, 1987, and prior to January 1, 1990, four percent (4%) of annual earnings; and
- (D) For Employment after December 31, 1989, five percent (5%) of annual earnings.

Interest shall be credited at the rate of two percent (2%) per annum, in the manner set forth in Section 1.020.

Notwithstanding anything to the contrary, in the case of a Participant who dies while an Employee after completing five (5) years of Aggregate Service but prior to completing ten (10) years of Aggregate Service, Longevity contributions will be made based upon the vesting percentage set forth in section 8.030.

4.060 *No Reversion to the Employer.* At no time shall it be possible for Plan assets to be used for, or diverted to, any purpose other than for the exclusive benefit of the Participants, and their Beneficiaries, except that contributions made by the Employer may be returned to the Employer if:

- (A) The contribution was made due to mistake of fact and the contribution is returned within one year of the mistaken payment of the contribution; or
- (B) The Plan is terminated as provided in Article X.

ARTICLE V. RETIREMENT BENEFITS

5.010 *Normal Retirement.* Each Participant shall be entitled to normal retirement benefits provided that s/he retires from Employment on or after his/her Normal Retirement Date.

5.020 *Normal Retirement Benefit.* Each Participant entitled to normal retirement benefits pursuant to section 5.010 shall receive during his/her lifetime a monthly retirement income equal to 50 percent

of his/her Final Monthly Average Salary, reduced by 1/20 for each year of Aggregate Service less than 20 full years. Benefit payments shall commence as of the first of the month coincident with or next following the Retirement Date.

5.030 *Late Retirement.* A Participant may continue to work beyond his/her Normal Retirement Date subject to the Employer's rules and regulations regarding retirement age. If a Participant who has met the requirements of section 5.010 continues to work beyond his/her Normal Retirement Date, no retirement benefits shall be paid until Employment ceases. The retirement benefit of a Participant who retires after his/her Normal Retirement Date shall be calculated on the basis of his Final Monthly Average Salary as of such Participant's actual date of retirement. Benefit payments shall commence as of the first of the month coincident with or next following the actual Retirement Date.

5.040 *Early Retirement.* Each Participant who completes fifteen (15) years of Aggregate Service and attains age sixty (60) while in Employment may elect to retire and receive an immediate benefit equal to his/her Accrued Benefit, which shall be actuarially reduced for early commencement in accordance with the factors prescribed in Section 1.040, or receive a deferred benefit equal to his/her Accrued Benefit with payment commencing as of the first of the month coincident with or next following his/her Normal Retirement Date.

5.050 *Payment of Benefits.* Except as otherwise provided herein, retirement payments under this Article V shall be payable as of the first day of the month coincident with or next following the Participant's retirement date and the first day of each month thereafter during the Participant's lifetime.

5.060 *Special Provision for Restated Plans.* The benefit amount of any Participant who may have retired prior to the Restatement Date shall not be in any way altered by the provisions of this Plan, except where otherwise expressly indicated herein, and shall continue to be determined on the basis of the terms of the Plan in effect on the day preceding the Restatement Date.

5.070 *Maximum Benefit Limitations*

- (A) Notwithstanding any other provision of this Plan, no benefit provided under this Plan attributable to contributions of the Employer shall exceed, as an annual amount, the lesser of:
 - (1) \$90,000, assuming a single life annuity or qualified joint and survivor annuity (as defined for purposes of Code section 415), subject to cost-of-living adjustments made from time to time by Plan amendments or automatically in accordance with and in such amounts as are prescribed in or pursuant to regulations promulgated under Code section 415(d) (which adjustments shall not become effective prior to January 1 of the year for which such adjustment is made); or
 - (2) 100 percent of the Participant's average compensation for the three consecutive years of employment (or such lesser number as may apply if the employee does not have three consecutive years) in which s/he received the highest aggregate compensation while a Participant, and the rate of benefit accrual shall be frozen or reduced accordingly, subject to the provisions of subsection (B) below.
- (B) The limitation provided in subsection (A) above shall be subject to the following conditions:

- (1) For purposes of the above limitations, "compensation" shall mean to Participant's wages, salaries, fees for professional services and other amounts received for personal services actually rendered in the course of employment with an Employer maintaining the Plan. The term "compensation" as used in this Section 5.070 shall not include items such as the following:
 - (a) Contributions made by the Employer to a plan of deferred compensation to the extent that before the application of Code Section 415 limitations to that plan, the contributions are not includable in the gross income of the employee for the Taxable year in which contributed. In addition, Employer contributions made on behalf of an employee to a simplified employee pension described in Code Section 408(k) are not considered as compensation for the taxable year in which contributed to the extent such contributions are deductible by the employee under Code Section 219(b)(7). Additionally, any distributions from a plan of deferred compensation are not considered as compensation for Code Section 415 purposes, regardless of whether such amounts are includable in the gross income of the employee when distributed. However, any amounts received by an employee pursuant to an unfunded non-qualified plan may be considered as compensation for Code Section 415 purposes in the year such amounts are includable in the gross income of the employee.
 - (b) Other amounts which receive special tax benefits, such as premiums for group term life insurance (but only to the extent that the premiums are not includable in the gross income of the employee), or contributions made by an Employer (whether under a salary reduction agreement) towards the purchase of an annuity contract described in Code section 403(b) (whether the contributions are excludable from the gross income of the employee).
- (2) For purposes of the above limitations, if the benefit under the Plan is payable in any form other than in the forms described therein (without regard to ancillary benefits) or if the employees contribute to the Plan or make rollover contributions, the determination as to whether the limitations have been satisfied shall be made by adjusting the benefit so that it is the actuarial equivalent of the benefit described in subsection (A). For the purpose of making the adjustment in the form of the benefit to an actuarial equivalent, the interest rate shall not be less than the greater of five percent or the rate specified under the Plan's definition of Actuarial Equivalent.
- (3) If retirement income benefits commence prior to a Participant's attainment of age 62, the limitation contained in section 5.070(A)(1) shall be adjusted to the Actuarial Equivalent of a \$90,000 annual benefit commencing at age 62. The reduction under this section shall not reduce the limitation of section 5.070(A)(1) below \$75,000 if the benefit begins at or after age 55, or if the benefit begins before age 55, the amount which is the equivalent of the \$75,000 limitation for age 55. For the purpose of making this adjustment, the interest rate used shall not be less than the greater of five percent or the rate specified in the Plan's definition of Actuarial Equivalent.
- (4) If retirement income benefits commence after the Participant's attainment of age 65, the limitation described in section 5.070(A)(1) shall be adjusted so that such limitation (as so increased) equals an annual benefit (beginning when such retirement income benefit begins) which is the actuarial equivalent of a \$90,000 annual benefit commencing at age 65; provided, however, that in no case shall such benefit exceed the limitation contained in section 5.070(A)(2). For the purpose of making this adjustment, the interest rate used shall not be less than the greater of five percent or the rate specified in the Plan's definition of Actuarial Equivalent.

- (5) Benefits payable to a Participant under this Plan shall be deemed not to exceed the limitations imposed by section 5.070(A) if the annual benefit payable to such Participant does not exceed \$10,000 (for this year or any prior year), provided such Participant has never participated in a defined contribution plan maintained by the Employer. If the Participant has completed less than ten (10) years of Aggregate Service with the Employer, such \$10,000 amount shall be multiplied by a fraction, the numerator of which is the number of years of Aggregate Service credited to the Participant and the denominator of which is ten. However, in no event will such adjustment reduce the limitation of this section to an amount less than \$1,000.
- (6) In the event a Participant has less than ten years of participation in the Plan, the limitations described in section 5.070(A) and this section shall be multiplied by a fraction, the numerator of which is the number of years of participation credited to the Participant and the denominator of which is ten.
- (7) For purposes of applying the limitations of this section, all defined benefit plans of the Employer shall be treated as one defined benefit plan, and all defined contribution plans shall be treated as one defined contribution plan.
- (8) For purposes of the above limitations, the limitation year shall be the Plan Year, unless such period is otherwise defined in a written resolution adopted by the Employer.

5.080 Required Distributions

- (A) Notwithstanding any provision of the Plan to the contrary, distributions shall not commence later than the later of (i) April 1 following the calendar year in which the Participant attains age 70-1/2; or (ii) April 1 following the calendar year in which the employee retires.
- (B) Notwithstanding any provision of the Plan to the contrary, if the Participant dies after distribution of his/her interest has begun, the remaining portion of his interest shall continue to be distributed at least as rapidly as under the method of distribution in effect prior to the Participant's death.
- (C) Notwithstanding any provision of the Plan to the contrary,
 - (1) If the Participant dies before distribution of his/her interest in the Plan commences, distribution of the Participant's entire interest shall be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death, unless section 5.080(C)(2) applies.
 - (2) If the designated Beneficiary is the Participant's surviving spouse, the date distributions are required to begin shall not be earlier than the later of (i) December 31 of the calendar year immediately following the calendar year in which the Participant died; or (ii) December 31 of the calendar year in which the Participant would have attained age 70-1/2.

For purposes of this Section 5.080, if the surviving spouse dies after the Participant but before benefit payments to such spouse commence, the provisions of this section 5.070

(excepting section 5.080(C)(2)) shall be applied as if the surviving spouse were the Participant.

- 5.080 *Assignment.* The pension payments provided herein shall not be subject to attachment, execution, levy, garnishment or other legal process and shall be payable only to the Participant, his/her survivors, or his/her designated Beneficiary, and shall not be subject to assignment or transfer.

ARTICLE VI. DEATH BENEFITS

- 6.010 *Pre-Retirement.* If a Participant with less than ten (10) years of Credited Service dies while an Employee, his/her Beneficiary shall be entitled to a lump sum payment equal to his/her Accumulated Contributions. If a Participant with ten (10) or more years of Credited Service dies: (a) while an Employee (irrespective of his/her age or whether his/her death was service-related); or (b) and is a former employee who separated from employment with a vested deferred benefit and who has not received a refund of Accumulated Contributions or has not commenced to receive a pension benefit from the Plan; or (c) and was receiving long-term disability benefits from the Plan at the time of death and who has not reached his/her Normal Retirement Date, his/her surviving spouse and/or children shall, as described in this section below, be entitled to a monthly payment (for 120 months) equal to 100% of his/her Accrued Benefit (calculated as the actuarially equivalent of the Normal Form of benefit payment as of the Employee's date of death or, if earlier, the date of termination of employment), beginning on the first of the month coincident with or next following the date on which the Employee would have turned age 62 or, if the Employee is age 62 or older, the Employee's date of death.

The survivor benefit provided in this Section 6.010 shall be payable to the widow or widower of the deceased Participant until the earlier of (a) such widow/widower's remarriage or (b) 120 months after the commencement of said payments. In lieu of receiving monthly payments, the widow/widower may elect to receive a single sum actuarially equivalent to the value of the 120 monthly payments. If there is no widow/widower or if the widow/widower dies or remarries, the survivor benefit provided in this Section 6.010 shall be payable in equal shares to any surviving children. Payments to each surviving children shall cease as of the earlier of one or more children's death or the end of the 120-month period. If one or more children dies while receiving a survivor benefit, such children's share of said benefit shall be reallocated in equal shares to any remaining surviving children, then living, until the end of the 120-month period. In lieu of receiving monthly payments, any surviving children may elect to receive a single sum actuarially equivalent to the value of the remaining monthly payments (said selection must be made before any survivor receives his/her first monthly payment and said selection shall be irrevocable). If there are no surviving children or spouse, the Participant's Accumulated Contributions shall be payable to his/her estate.

- 6.020 *Post-Retirement.* If a Participant dies after termination of Employment, his/her Beneficiary shall be entitled to the survivor Benefit applicable to the Benefit Payment Option selected, except as otherwise provided in Section 6.010. If the Benefit payments have not yet commenced, the payments to the Beneficiary shall commence on the first day of the month coincident with or next following the date the Participant would have reached Normal Retirement Age. If the Participant dies after termination of Employment but prior to selection of a Benefit option, the Participant will be deemed to have selected the Normal form of Benefit option beginning at Normal Retirement Age.

ARTICLE VII.
PAYMENT OF BENEFITS

7.010 *Normal Form.* The Normal Form of benefit payment shall be a single life form payable for the life of the Participant only, provided that if the Participant dies after payment has commenced and, prior to a point in time where the total amount paid does not equal or exceed the amount of his/her Accumulated Contributions then a single sum payment shall be made to the Beneficiary equal to the Accumulated Contributions less the total contributions paid to the Participant. If the Participant dies after receiving total payments that, equal or exceed the amount of Accumulated Contributions then no payment shall be made to the Beneficiary.

7.020 *Optional Forms of Payment.* In lieu of the Normal Form of Benefit payment, a Participant may elect, irrevocably, one of the following Optional Forms of Payment:

(A) *Life Form with 120 Payment Certain and Continuous* — A Participant may elect an optional form of payment that is a single life form guaranteed for 120 months. This form shall be actuarially equivalent to the Normal Form. Benefits shall be payable for the life of the Participant, but if the Participant dies prior to receipt of 120 monthly payments, the remainder shall be paid either as monthly payments continuing until a total of 120 monthly payments have been made or as a single sum actuarially equivalent to the value of the remaining monthly payments to a designated beneficiary. If the Participant dies after receiving 120 monthly payments, no additional payments shall be made.

(B) *Joint and Survivor Forms* —

(1) *50% Survivor* — A Participant may elect an Optional Form of Benefit that shall provide for a survivor benefit, equal to 50% of the monthly retirement benefit which a Participant was receiving at the time of death (as determined under sections 5.020, 5.030, or 5.040, as applicable), shall be payable to the deceased Participant's survivor as provided under this section. This optional form shall be actuarial equivalent to the Normal Form. The survivor benefit provided in this section shall be payable to the surviving spouse or surviving minor children of a Participant who is receiving normal, late, or early retirement benefits pursuant to sections 5.020, 5.030, and 5.040.

(2) *100% Survivor* — A Participant may elect an Optional Form of Benefit that shall provide for a survivor benefit, equal to 100% of the monthly retirement benefit which a Participant was receiving at the time of death (as determined under sections 5.020, 5.030, or 5.040, as applicable), shall be payable to the deceased Participant's survivor as provided under this section. This optional form shall be actuarially equivalent to the Normal Form. The survivor benefit provided in this section shall be payable to the surviving spouse or surviving minor children of a Participant who is receiving normal, late, or early retirement benefits pursuant to sections 5.020, 5.030, and 5.040.

(3) *Payment of Joint and Survivor Benefits* — A survivor benefit provided under either Section 7.020(B)(1) or (2) shall be payable monthly to the widow or widower of the deceased Participant, beginning on the first of the month next following the death of the Participant, until the earlier of such widow's or widower's death or remarriage. If there is no widow or widower of the deceased

Participant or if the widow or widower dies or remarries, the survivor benefit provided in Section 7.020(B)(1) or (2) shall be payable in equal shares to the deceased Participant's child or children who have not attained age 18 as of the date on which survivor benefit payments under this section would commence. Payments to each surviving child shall cease as of such child's death or attainment of age 18. Such child's share of the survivor benefit shall be reallocated in equal shares to any remaining surviving children, then living, who have not attained age 18.

ARTICLE VIII. TERMINATION OF EMPLOYMENT

- 8.010 *Rights of Terminated Employees.* If a Participant ceases to be an Employee except as otherwise hereinbefore provided, his/her interest and rights under this Plan shall be limited to those contained in the following sections of this Article VIII.
- 8.020 *Payment of Accumulated Contributions and Longevity Contributions.* A Participant shall be entitled to receive a refund of his/her Accumulated Contributions and to any applicable Longevity Contributions to the Plan in a single cash payment, payable as soon as practicable following the Participant's termination of employment with the Employer. Upon receipt of such Accumulated Contributions, neither the Participant, his/her Beneficiary, his/her surviving spouse, nor his/her surviving children shall be entitled to any further payments from the Plan.
- 8.030 *Vested Benefits Upon Termination.* In lieu of receiving a refund of his Accumulated Contributions, a Participant who has completed five years of Aggregate Service with the Employer may elect to vest his/her retirement benefits under the Plan by filing a written notice of his/her intention to vest with the Plan Administrator within 90 days from the date s/he ceases to be an Employee. A Participant who exercises such an option shall be eligible, upon attainment of what would have been his/her Normal Retirement Date had s/he continued to be an Employee, for a vested retirement benefit equal to his/her Accrued Benefit, determined as of the date on which s/he terminated Employment multiplied by the applicable vesting percentage set forth below:

Years of Service	Vesting Percentage
5	50%
6	60%
7	70%
8	80%
9	90%
10	100%

ARTICLE IX.
PROVISIONS TO COMPLY WITH THE MUNICIPAL PENSION PLAN
FUNDING STANDARD AND RECOVERY ACT OF 1984, AS AMENDED

9.010 *Actuarial Valuations.* The Plan's Actuary shall perform an actuarial valuation at least once every two years, unless the Employer is applying or has applied for supplemental state assistance pursuant to Section 603 of the Act, whereupon actuarial valuation reports shall be made annually or otherwise in accordance with the Act.

Such biennial actuarial valuation report shall be made as of the beginning of each Plan Year occurring in an odd-numbered calendar year. Such actuarial valuation shall be prepared and certified by an approved Actuary, as such term is defined in the Act. The Board hereby agrees to make necessary annual actuarially determined payments to the Plan to fully fund the past participation of any Employee who wasn't participating in the Plan prior to the Restatement Date but who is participating in the Plan on or after the Restatement Date, including but not limited to said Employee's Accumulated Contributions.

The expenses attributable to the preparation of any actuarial valuation report or investigation required by the Act or any other expense which is permissible under the terms of the Act and which are directly associated with administering the Plan shall be an allowable administrative expense payable from the assets of the Pension Fund. Such allowable expenses shall include but not be limited to the following:

- (A) Investment costs associated with obtaining authorized investments and investment advisory and management fees;
- (B) Accounting expenses;
- (C) Premiums for insurance coverage on Fund assets;
- (D) Reasonable and necessary counsel fees incurred for advice or to defend the Fund; and
- (E) Legitimate travel and education expenses for Plan officials; provided, however, that the Plan Administrator and other applicable municipal officials of the Employer, in their fiduciary role, shall monitor the services provided to the Plan to ensure that the expenses are necessary, reasonable and benefit the Plan; and further provided, that the Plan Administrator shall document all such expenses item by item, and where necessary, hour by hour.

9.020 *Duties of Chief Administrative Officer.* Such actuarial reports shall be prepared and filed under the supervision of the Chief Administrative Officer ("CAO"). The CAO shall determine the financial requirements of the Plan on the basis of the most recent actuarial report and shall determine the minimum obligation of the Employer with respect to funding the Plan for any given Plan Year. The CAO shall submit the financial requirements of the Plan and the minimum obligation of the Employer to the Board annually and shall certify the accuracy of such calculations in conformance with the Act.

9.030 *Benefit Plan Modifications.* Prior to the adoption of any benefit plan modification by the Employer, the CAO shall request and receive a cost estimate of the proposed benefit plan modification. Such estimate shall be prepared by an approved Actuary and shall disclose the impact of the proposed

benefit plan modification on the future financial requirements of the Plan and the future minimum obligation of the Employer with respect to the Plan.

ARTICLE X.
AMENDMENT AND TERMINATION
OF PENSION PLAN

10.010 *Amendment of the Plan.* The Employer may amend this Plan at any time or from time to time by an instrument in writing executed in the name of the Employer under its municipal seal by officers duly authorized to execute such instrument and delivered to the Board; provided, however, that:

- (A) No amendment shall deprive any Participant or any Beneficiary of a deceased Participant of any of the benefits to which he is entitled under this Plan with respect to contributions previously made;
- (B) No amendment shall provide for the use of funds or assets held under this Plan other than for the benefit of employees and no funds contributed to this Plan or assets of this Plan shall, except as provided in Section 10.050, ever revert to or be used or enjoyed by the Employer;
- (C) No amendment to the Plan which provides for a benefit modification shall be made unless the cost estimate described in Section 9.030 has been prepared and presented to the Board in accordance with the Act.

10.020 *Termination of the Plan.* The Employer shall have the power to terminate this Plan in its entirety at any time by an instrument in writing executed in the name of the Employer, in accordance with collective bargaining agreements and applicable laws and regulations.

10.030 *Automatic Termination of Contributions.* Subject to the provisions of the Act governing financially distressed municipalities, the liability of the Employer to make contributions to the Pension Fund shall automatically terminate upon liquidation or dissolution of the Employer, upon its adjudication as a bankrupt or upon the making of a general assignment for the benefit of its creditors.

10.040 *Distribution Upon Termination.* In the event of the termination of the Plan, all amounts of vested benefits accrued by the affected Participants as of the date of such termination, to the extent funded on such date, shall be nonforfeitable hereunder. In the event of termination of the Plan, the Employer shall direct either (a) that the Plan Administrator continue to hold the vested Accrued Benefits of Participants in the Pension Fund in accordance with the provisions of the Plan (other than those provisions related to forfeitures) without regard to such termination until all funds have been distributed in accordance with the provisions; or (b) that the Plan Administrator immediately distribute to each Participant an amount equal to his/her vested Accrued Benefit to the date.

If there are insufficient assets in the Pension Fund to, provide for all vested Accrued Benefits as of the date of Plan termination, priority shall first be given to the distribution of any amounts attributable to mandatory or voluntary Employee contributions before assets are applied to the distribution of any vested benefits attributable to other sources hereunder.

All other assets attributable to the terminated Plan shall be distributed and disposed of in accordance with the provisions of applicable law and the terms of any instrument adopted by the Employer which effects such termination.

- 10.050 *Residual Assets.* If all liabilities to vested Participants and any others entitled to receive a benefit under the terms of the Plan have been satisfied and there remain any residual assets in the Pension Fund, such residual assets remaining shall be returned to the Employer insofar as such return does not contravene any provision of law, and any remaining balance, in excess of Employer contributions, shall be returned to the Commonwealth.
- 10.060 *Exclusive Benefit Rule.* In the event of the discontinuance and termination of the Plan as provided herein, the Employer shall dispose of the Pension Fund in accordance with the terms of the Plan and applicable law; at no time prior to the satisfaction of all liabilities under the Plan shall any part of the corpus or income of the Pension Fund, after deducting any administrative or other expenses properly chargeable to the Pension Fund, be used for or diverted to purposes other than for the exclusive benefit of the Participants in the Plan, their Beneficiaries or their estates.

ARTICLE XI. MISCELLANEOUS PROVISIONS

- 11.010 *Plan Not a Contract of Employment.* No Employee of the Employer nor anyone else shall have any rights whatsoever against the Employer or the Plan Administrator as a result of this Plan except those expressly granted to them hereunder. Nothing herein shall be construed to give any Employee the right to remain in the employment of the Employer.
- 11.020 *Masculine/Feminine; Singular/Plural.* For purposes of this Plan, the masculine shall be read for the feminine and vice versa, and the singular shall be read for the plural, wherever the person or context shall plainly so require.
- 11.030 *Construction of Document.* This Plan may be executed and/or conformed in any number of counterparts, each of which shall be deemed an original and shall be construed and enforced according to the laws of the Commonwealth of Pennsylvania, excepting such Commonwealth's choice of law rules.
- 11.040 *Headings.* The headings of articles are included solely for convenience of reference, and if there be any conflict between such headings and the text of the Plan, the text shall control.
- 11.050 *Severability of Provisions.* In case any provisions of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of this Plan, and the Plan shall be construed and enforced as if said illegal and invalid provisions had never been inserted therein.
- 11.060 *Incapacity of Participant.* If any Participant shall be physically or mentally incapable of receiving or acknowledging receipt of any payment of Participant benefits hereunder, the Plan Administrator, upon the receipt of satisfactory evidence that such Participant is so incapacitated and that another person or institution is maintaining him/her and who has legal authority to act on his/her behalf, may provide for such payment of pension benefits hereunder to such person or institution so maintaining him/her and who has legal authority to act on his/her behalf, and any such payments so made shall be deemed for every purpose to have been made to such Participant.
- 11.070 *Liability of Officers of the Plan Administrator and/or Employer.* Subject to the provisions of the Act and unless otherwise specifically required by other applicable laws, no past, present or future officer, employee, or agent of the Employer shall be personally liable to any Participant, Beneficiary, or other person under any provision of the Plan.

11.080 *Assets of the Fund.* Nothing contained herein shall be deemed to give any Participant or his/her Beneficiary any interest in any specific property of the Pension Fund or any right except to receive such distributions as are expressly provided for under the Plan.

11.090 *Pension Fund for Sole Benefit of Participants.* The income and principal of the Pension Fund are for the sole use and benefit of the Participants covered hereunder, and to the extent permitted by law, shall be free, clear and discharged from and are not to be in any way liable for debts, contracts or agreements, now contracted or which may hereafter be contracted, and from all claims and liabilities now or hereafter incurred by any Participant or Beneficiary.

DEFINED CONTRIBUTION PROVISIONS

ARTICLE XII. DEFINITIONS

- 12.010 "*Account Balance*" shall mean the fund or funds administered under the terms of this Plan, which shall include all money, property, investments, Policies and Contracts standing in the name of the Participant. The Account Balance shall include all Accumulated Contributions made by the Participant and all Employer Contributions made on behalf of the Participant by the Employer.
- 12.020 "*Accumulated Contributions*" shall mean the total amount contributed by any Participant to their Account Balance.
- 12.030 "*Act*" shall mean the Municipal Pension Plan Funding Standard and Recovery Act, enacted as P.L. 1005 (Act 205 of 1984), as amended.
- 12.040 "*Aggregate Service*" shall mean the total period of the Participant's Employment. Notwithstanding the preceding sentence, any Participant who shall have received a distribution of Accumulated Contributions with respect to a period of Employment shall not have such period included in Aggregate Service unless, upon recommencement of Employment, the amount so distributed shall be repaid to the Plan.
- 12.050 "*Basic Monthly Earnings*" shall mean the total compensation of the Employee, whether salary or hourly wages, including overtime pay, holiday pay, longevity pay and any other form of compensation paid by the Employer for services rendered. Basic Monthly Earnings shall also include fixed, periodic amounts paid for periods during which the Participant is not actively employed, which amounts are paid directly by the Employer or through a program to which the Employer has made contributions on behalf of the Employee, other than under this Plan (including, without limitation, a workers' compensation program or payments made under the Pennsylvania Heart and Lung Act, the Family and Medical Leave Act of 1993, or other applicable laws). The compensation used in determining an Employee's Basic Monthly Earnings shall be limited to the amount stated in Code Section 401(a)(17) as adjusted.
- 12.060 "*Beneficiary*" shall mean the person or entity designated by the Participant to receive any benefits payable under this Plan by reason of the Death of the Participant unless expressly provided otherwise. In the event that a Participant does not designate a Beneficiary or his/her Beneficiary goes not survive him/her, the Beneficiary shall be his/her surviving spouse; or if there is no surviving spouse, his/her issue, *per stirpes*; or if there is no surviving spouse or surviving issue, his/her parents, if then surviving; or if there is no surviving spouse, issue, or parents, his/her brothers

and sisters, if then surviving; or if there is no surviving spouse, issue, parents, or brothers or sisters, his/her estate; but if no personal representative has been appointed, to those persons who would be entered to his/her estate under the intestacy laws of the Commonwealth of Pennsylvania if s/he had died intestate and a resident of Pennsylvania.

12.070 "*Board*" shall mean the Board of Commissioners of Radnor Township.

12.80 "*Chief Administrative Officer*" shall mean the Township Manager ("Manager") appointed by the Board.

12.90 "*Code*" shall mean the Internal Revenue Code of 1986, as amended.

12.100 "*Employee*" shall mean any individual employed by the Employer on a regular full-time and non-seasonal basis. For purposes of this section 12.110, "employed on a full-time basis" means that the individual is normally scheduled to work a minimum of 35 hours per week. "Employee" as used herein shall not include sworn police officers, elected officials, or any appointed management employee with whom the Employer has entered into an individual employment agreement that excludes such official's participation in this pension plan.

12.110 "*Employer*" shall mean Radnor Township, a Home Rule Municipality located in Delaware County, Pennsylvania.

12.120 "Employer Contribution" shall mean such contribution made or required to be made by the Employer on behalf of each Participant in the Plan.

12.130 "*Employment*" shall mean any period of time for which an Employee is entitled to a Salary paid by the Employer for services rendered and any period for which an Employee is absent from work because of an approved leave of absence. An approved leave of absence shall include (a) any period of time for which salary continuation payments are payable, such as vacation, holidays, sickness or periods covered by entitlement to workers' compensation or similar benefits; (b) any period of voluntary or involuntary military service so long as the Employee returns to active Employment within six (6) months following such longer period as may be required by law or the terms of a collective bargaining agreement; (c) any period of leave, paid or unpaid, taken under the Family and Medical Leave Act of 1993; and (d) such other period of time which the Board in their sole discretion may determine to be an approved leave of absence.

12.140 "*Normal Retirement Date*" shall mean the first of the month coincident with or next following the date on which the Participant has attained age 62 and has completed a minimum of ten (10) years of Aggregate Service.

12.150 "*Participant*" shall mean an Employee who, (i) subsequent to January 1, 2020; or (ii) who is covered by a collective bargaining agreement which has adopted the new defined contribution provisions, has met the participation requirements of the Plan as provided in section 14.010.

12.160 "*Plan*" shall mean the Plan set forth herein, as amended from time to time and designated as the "Radnor Township Civilian Employees Pension Plan."

12.1700 "*Plan Administrator*" shall mean the Defined Contribution Retirement Committee appointed by the Board of Commissioners to administer the provisions of the Plan pursuant to Section 13.020.

In the event that no appointment of such Retirement Board is made, the Plan Administrator shall consist of (a) the Township Manager ("Manager"), (b) the Finance Director, and (c) the Assistant Finance Director or another management official selected by the Manager.

- 12.180 "*Plan Year*" shall mean the 12-month period beginning on January 1 and ending on December 31 of each year.
- 12.190 "*Restatement Date*" shall mean, January 1, 2020, the date upon which this amendment and restatement of the Plan becomes effective.
- 12.200 "*Salary*" shall mean regular fixed amounts paid at periodic intervals including regular salary or hourly wages, longevity pay, holiday pay, vacation pay, sick pay, and personal leave pay plus overtime compensation, shift differential, and payments made in accordance with U.S. Department of Transportation regulations covering drug testing for an Employee required to have and maintain a commercial driver's license, as so authorized by collective bargaining agreements. Salary used to calculate benefits hereunder shall be limited to the amount stated in Code Section 401(a)(17) as adjusted.

ARTICLE XIII. ADMINISTRATIVE PROVISIONS

- 13.010 *Plan Operated Under Supervision of the Board of Commissioners.* The operation of the Plan shall be supervised by the Board. The Board shall have the power and authority, either directly or through the Plan Administrator, to do all acts and to execute, acknowledge and deliver all instruments necessary to implement and effectuate the purpose of this Plan.

The Plan Administrator shall keep such records as may be necessary for the determination of the status of each Participant and the presumptive share of each Participant's Account Balance.

The Board shall have authority and shall be charged with the performance of the duties set forth in this Plan, but shall have the authority by general rule or special decision to determine and make provisions for such items necessary for the proper carrying out and enforcement thereof that are not specifically provided by this Plan at all times, subject to change by proper ordinance or resolution.

- 13.020 *Defined Contribution Retirement Committee.* The Board of Commissioners at its sole discretion may appoint or direct the Township Manager to convene a Defined Contribution Retirement Committee to act as Plan Administrator pursuant to Section 13.010. The Defined Contribution Retirement Committee shall be composed of three (3) individuals consisting of the Township Manager and two (2) additional members as chosen by the Board.

The Defined Contribution Retirement Committee shall meet at least once each quarter to discuss the allocation of plan assets, investment performance, and other business related to the Plan. Certain information about Plan participants and retirees (such as pension benefits, beneficiaries, etc.) shall be kept confidential by all Retirement Board members.

- 13.030 *Investment Policies.* The Plan Administrator shall develop policies and procedures governing the allocation and investment of all Plan assets. It is the intent of the Board that all assets of the Plan shall be invested in a prudent manner and the best interests of the Participants.

ARTICLE XIV.
PARTICIPATION IN THE PLAN

- 14.010 *Eligibility Requirements.* As a condition of Employment, each Employee shall participate herein as of the date on which his/her Employment first commences or recommences.
- 14.020 *Designation of Beneficiary.* Any new, full-time Employee who becomes a Participant hereunder shall provide a written notice, which designates his/her Beneficiary or Beneficiaries, to the Plan Administrator at the time his/her participation commences. (The Beneficiary shall receive a refund of Accumulated Contributions if such refund is payable pursuant to Section 17.010.) The Participant's election of any such Beneficiary or Beneficiaries may be rescinded or changed, without the consent of the Beneficiary or Beneficiaries, at any time, provided the Participant provides the Employer with written notice of the changed designation.

ARTICLE XV.
CONTRIBUTIONS

- 15.010 *Participant Contributions.* Each Participant shall make regular monthly contributions to the Plan at a rate of five percent (5%) of his/her Basic Monthly Earnings.
- 15.020 *Payment of Participant Contributions.* A Participant's contributions shall be deducted from his/her Basic Monthly Earnings in each month, or other periodic increments thereof, of his/her Aggregate Service during which s/he receives payments of Basic Monthly Earnings.
- 15.030 *Payments of State Aid.* Payments of general municipal pension system state aid, or any other amount of state aid received in accordance with the Act from the Commonwealth of Pennsylvania, which are received by the Employer and deposited into the Account Balances governed by this Plan, shall be used as follows:
- (A) Applied against the annual obligation of the Employer for Participant contributions;
- 15.040 *Employer Contributions.* The remainder of the annual contributions required under the provisions of the Act, as determined in accordance with the Act, shall become the obligation of the Employer and shall be paid into the Plan by annual appropriations enacted by the Board. The Employer shall annually make a mandatory contribution of Six Hundred (\$600.00) Dollars per participant. To the extent that any additional contribution is not required by the Act, the Employer may, at its discretion, make a contribution to the Plan on behalf of each Participant in the Plan. Such discretionary contribution shall not exceed 5% of the Participant's Basic Monthly Income less the annual mandatory contribution stated in this Section 15.040.
- 15.050 *Longevity Contributions.* The Employer, to the extent it is able to do so and without using any state aid, shall contribute to an account established on behalf of each Participant after completing ten (10) years of Aggregate Service. The initial amount contributed, calculated from the date of hire of the Participant to the date of completion of fifteen (15) years of Aggregate Service, shall be equal to:
- (A) For Employment prior to January 1, 1986, two percent (2%) of annual earnings;

(B) For Employment after December 31, 1985, and prior to January 1, 1988, three percent (3%) of annual earnings;

(C) For Employment after December 31, 1987, and prior to January 1, 1990, four percent (4%) of annual earnings; and

(D) For Employment after December 31, 1989, five percent (5%) of annual earnings.

Annual Earnings for purposes of this Section 15.050 shall be based on the Participant's Base Salary excluding any overtime. No interest shall be credited to Longevity Contributions.

Notwithstanding anything to the contrary, in the case of a Participant who dies while an Employee after completing five (5) years of Aggregate Service but prior to completing ten (10) years of Aggregate Service, Longevity contributions will be made based upon the vesting percentage set forth in section 19.010.

15.060 *No Reversion to the Employer.* At no time shall it be possible for Plan assets to be used for, or diverted to, any purpose other than for the exclusive benefit of the Participants, and their Beneficiaries, except that contributions made by the Employer may be returned to the Employer if:

(A) The contribution was made due to mistake of fact and the contribution is returned within one year of the mistaken payment of the contribution; or

(B) The Plan is terminated as provided in Article X.

ARTICLE XVI. RETIREMENT BENEFITS

16.010 *Normal Retirement.* Each Participant shall be entitled to a normal retirement benefit provided that s/he retires from Employment on or after his/her Normal Retirement Date.

16.020 *Normal Retirement Benefit.* Each Participant entitled to a normal retirement benefit pursuant to section 16.010 shall receive a lump-sum payment of their Account Balance.

16.030 *Late Retirement.* A Participant may continue to work beyond his/her Normal Retirement Date subject to the Employer's rules and regulations regarding retirement age. If a Participant who has met the requirements of section 16.010 continues to work beyond his/her Normal Retirement Date, no retirement benefits shall be paid until Employment ceases.

16.040 *Payment of Benefits.* Except as otherwise provided herein, the retirement payment under this Article XVI shall be payable as soon as administratively feasible following their Normal Retirement Date.

16.050 *Special Provision for Restated Plans.* The benefit amount of any Participant who may have retired prior to the Restatement Date shall not be in any way altered by the provisions of this Plan, except where otherwise expressly indicated herein, and shall continue to be determined on the basis of the terms of the Plan in effect on the day preceding the Restatement Date.

16.060 *Required Distributions*

Notwithstanding any provision of the Plan to the contrary, distribution of the Participant's Account Balance shall not occur later than the later of (i) April 1 following the calendar year in which the Participant attains age 70-1/2; or (ii) April 1 following the calendar year in which the employee retires.

If the Participant dies prior to their Normal Retirement Date, distribution of his/her Account Balance shall be in accordance with Article XVII.

Notwithstanding any provision of the Plan to the contrary, if the Participant dies before having received their Account Balance because of subsection (A) above, his/her Account Balance shall be distributed to the Participant's designated Beneficiary as soon as administratively feasible.

16.070 *Assignment*. The pension payments provided herein shall not be subject to attachment, execution, levy, garnishment or other legal process and shall be payable only to the Participant, his/her survivors, or his/her designated Beneficiary, and shall not be subject to assignment or transfer.

ARTICLE XVII. DEATH BENEFITS

17.010 *Pre-Retirement*. If a Participant with less than ten (10) years of Aggregate Service dies while an Employee, his/her Beneficiary shall be entitled to a lump sum payment equal to his/her Accumulated Contributions and the vested portion of his/her Employer Contributions. If a Participant with ten (10) or more years of Aggregate Service dies: (a) while an Employee (irrespective of his/her age or whether his/her death was service-related); or (b) is a former employee who separated from employment with a vested deferred benefit and who has not received a distribution of his/her Accumulated Contributions or Employer Contributions; or (c) was receiving long-term disability benefits from the Plan at the time of death and who has not reached his/her Normal Retirement Date; his/her Account Balance shall be distributed to his/her designated Beneficiary as soon as administratively feasible.

ARTICLE XVIII. PAYMENT OF BENEFITS

18.010 *Normal Form*. The Normal Form of benefit payment shall be a lump-sum payment of the Participant's Account Balance.

ARTICLE XIX VESTING

19.010 *Vesting Schedule*. Upon termination of employment prior to 10 years of Aggregate Service, Employer Contributions made to the Plan shall be subject to the following Vesting Schedule.

Years of Service	Vesting Percentage
0 - 5	0%
6	20%
7	40%
8	60%

9	80%
10	100%

19.020 *Death of Employee or Termination of the Plan.* The above notwithstanding, upon the death of an Employee or the termination of the Plan prior to the Employee achieving 10 years of Aggregate Service, the Employee's Employer Contributions shall become 100% vested.

19.030 *Aggregate Contributions.* The Employee's Aggregate Contributions shall be 100% vested at all times.

ARTICLE XX. TERMINATION OF EMPLOYMENT

20.010 *Rights of Terminated Employees.* If a Participant ceases to be an Employee except as otherwise hereinbefore provided, his/her interest and rights under this Plan shall be limited to those contained in the following sections of this Article IX

20.020 *Payment of Accumulated Contributions, Vested Employer Contributions and Longevity Contributions.* A Participant shall be entitled to receive a refund of his/her Accumulated Contributions, vested Employer Contributions and to any applicable Longevity Contributions to the Plan in a single cash payment, payable as soon as practicable following the Participant's termination of employment with the Employer. Upon receipt of such Accumulated Contributions, neither the Participant, his/her Beneficiary, his/her surviving spouse, nor his/her surviving children shall be entitled to any further payments from the Plan.

ARTICLE XXI. PROVISIONS TO COMPLY WITH THE MUNICIPAL PENSION PLAN FUNDING STANDARD AND RECOVERY ACT OF 1984, AS AMENDED

21.010 *Valuations.* The Plan's Administrator shall perform an annual valuation of the Plan's assets.

Such valuation report shall show the value of Plan assets as of the end of each Plan Year.

The expenses attributable to the preparation of the annual valuation report any other expense which is directly associated with administering the Plan shall be an allowable administrative expense payable from the assets of the Plan. Such allowable expenses shall include but not be limited to the following:

- (A) Investment costs associated with obtaining authorized investments and investment advisory and management fees;
- (B) Accounting expenses;
- (C) Premiums for insurance coverage on Plan assets;
- (D) Reasonable and necessary counsel fees incurred for advice or to defend the Plan; and
- (E) Legitimate travel and education expenses for Plan officials; provided, however, that the Plan Administrator and other applicable municipal officials of the Employer, in their fiduciary role, shall monitor the services provided to the Plan to ensure that the expenses are

necessary, reasonable and benefit the Plan; and further provided, that the Plan Administrator shall document all such expenses item by item, and where necessary, hour by hour.

- 21.020 *Duties of Chief Administrative Officer.* Such valuation report shall be prepared and filed under the supervision of the Chief Administrative Officer ("CAO"). The CAO shall determine the financial requirements of the Plan on the basis of the most recent valuation and shall determine the minimum obligation of the Employer with respect to funding the Plan for any given Plan Year. The CAO shall submit the financial requirements of the Plan and the minimum obligation of the Employer to the Board annually and shall certify the accuracy of such calculations in conformance with the Act.

ARTICLE XXII. AMENDMENT AND TERMINATION OF PENSION PLAN

- 22.010 *Amendment of the Plan.* The Employer may amend this Plan at any time or from time to time by an instrument in writing executed in the name of the Employer under its municipal seal by officers duly authorized to execute such instrument and delivered to the Board; provided, however, that:

- (A) No amendment shall deprive any Participant or any Beneficiary of a deceased Participant of any of the benefits to which he is entitled under this Plan with respect to contributions previously made;
- (B) No amendment shall provide for the use of funds or assets held under this Plan other than for the benefit of employees and no funds contributed to this Plan or assets of this Plan shall, except as provided in Section 22.050, ever revert to or be used or enjoyed by the Employer;

- 22.020 *Termination of the Plan.* The Employer shall have the power to terminate this Plan in its entirety at any time by an instrument in writing executed in the name of the Employer, in accordance with collective bargaining agreements and applicable laws and regulations.

- 22.030 *Automatic Termination of Contributions.* Subject to the provisions of the Act governing financially distressed municipalities, the liability of the Employer to make contributions to the Plan shall automatically terminate upon liquidation or dissolution of the Employer, upon its adjudication as a bankrupt or upon the making of a general assignment for the benefit of its creditors.

- 22.040 *Distribution Upon Termination.* In the event of the termination of the Plan, all amounts of vested benefits accrued by the affected Participants as of the date of such termination, to the extent funded on such date, shall be nonforfeitable hereunder. In the event of termination of the Plan, the Employer shall direct either (a) that the Plan Administrator continue to hold the vested Account Balance of Participants in the Plan in accordance with the provisions of the Plan (other than those provisions related to forfeitures) without regard to such termination until all funds have been distributed in accordance with the provisions; or (b) that the Plan Administrator immediately distribute to each Participant an amount equal to his/her vested Accrued Benefit to the date.

All other assets attributable to the terminated Plan shall be distributed and disposed of in accordance with the provisions of applicable law and the terms of any instrument adopted by the Employer which effects such termination.

- 22.050 *Residual Assets.* If all liabilities to vested Participants and any others entitled to receive a benefit under the terms of the Plan have been satisfied and there remain any residual assets in the Plan,

such residual assets remaining shall be returned to the Employer insofar as such return does not contravene any provision of law, and any remaining balance, in excess of Employer contributions, shall be returned to the Commonwealth.

- 22.060 *Exclusive Benefit Rule.* In the event of the discontinuance and termination of the Plan as provided herein, the Employer shall dispose of the Plan in accordance with the terms of the Plan and applicable law; at no time prior to the satisfaction of all liabilities under the Plan shall any part of the corpus or income of the Plan, after deducting any administrative or other expenses properly chargeable to the Plan, be used for or diverted to purposes other than for the exclusive benefit of the Participants in the Plan, their Beneficiaries or their estates.

ARTICLE XXIII. MISCELLANEOUS PROVISIONS

- 23.010 *Plan Not a Contract of Employment.* No Employee of the Employer nor anyone else shall have any rights whatsoever against the Employer or the Plan Administrator as a result of this Plan except those expressly granted to them hereunder. Nothing herein shall be construed to give any Employee the right to remain in the employment of the Employer.
- 23.020 *Masculine/Feminine; Singular/Plural.* For purposes of this Plan, the masculine shall be read for the feminine and vice versa, and the singular shall be read for the plural, wherever the person or context shall plainly so require.
- 23.030 *Construction of Document.* This Plan may be executed and/or conformed in any number of counterparts, each of which shall be deemed an original and shall be construed and enforced according to the laws of the Commonwealth of Pennsylvania, excepting such Commonwealth's choice of law rules.
- 23.040 *Headings.* The headings of articles are included solely for convenience of reference, and if there be any conflict between such headings and the text of the Plan, the text shall control.
- 23.050 *Severability of Provisions.* In case any provisions of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of this Plan, and the Plan shall be construed and enforced as if said illegal and invalid provisions had never been inserted therein.
- 23.060 *Incapacity of Participant.* If any Participant shall be physically or mentally incapable of receiving or acknowledging receipt of any payment of Participant benefits hereunder, the Plan Administrator, upon the receipt of satisfactory evidence that such Participant is so incapacitated and that another person or institution is maintaining him/her and who has legal authority to act on his/her behalf, may provide for such payment of pension benefits hereunder to such person or institution so maintaining him/her, and who has legal authority to act on his/her behalf, and any such payments so made shall be deemed for every purpose to have been made to such Participant.
- 23.070 *Liability of Officers of the Plan Administrator and/or Employer.* Subject to the provisions of the Act and unless otherwise specifically required by other applicable laws, no past, present or future officer, employee, or agent of the Employer shall be personally liable to any Participant, Beneficiary, or other person under any provision of the Plan.

23.080 *Assets of the Plan.* Nothing contained herein shall be deemed to give any Participant or his/her Beneficiary any interest in any specific property of the Plan or any right except to receive such distributions as are expressly provided for under the Plan.

23.090 *Plan for Sole Benefit of Participants.* The income and principal of the Plan are for the sole use and benefit of the Participants covered hereunder, and to the extent permitted by law, shall be free, clear and discharged from and are not to be in any way liable for debts, contracts or agreements, now contracted or which may hereafter be contracted, and from all claims and liabilities now or hereafter incurred by any Participant or Beneficiary.

ORDAINED AND ENACTED this 17th day of June, 2020.