

RESOLUTION NO. 2024-15

BRIGHTON TOWNSHIP
BEAVER COUNTY, PENNSYLVANIA

A RESOLUTION OF BRIGHTON TOWNSHIP AMENDING THE POLICE PENSION FUND RESOLUTION OF THE TOWNSHIP OF BRIGHTON BY THE ADDITION OF A DEFERRED RETIREMENT OPTION PLAN (“DROP”).

WHEREAS, the Township of Brighton's Board of Supervisors previously adopted, for the benefit of its Police Force, Police Pension Fund Resolution of the Township of Brighton, Establishing and Governing the Police Pension Fund ("Fund"); and

WHEREAS, the Fund is amended, effective January 1, 2025; and

WHEREAS, the Township of Brighton and the Township of Brighton Police Department wish to provide for a Deferred Retirement Option Plan (DROP), as provided by the Municipal Pension Plan Funding Standard And Recovery Act (Act 205 of 1984, as amended), to be included in the Police Pension Fund Resolution of the Township of Brighton provided there is no cost to the Township and the actuarial soundness of the Fund is not impaired; and

WHEREAS, it is the purpose of this Resolution to authorize the Township of Brighton to adopt a Deferred Retirement Option Plan as part of its defined benefit pension plan under which an eligible Participant of the Police Pension Fund may elect to participate, defer receipt of retirement plan benefits and continue employment with the Township of Brighton under the Fund; and

WHEREAS, the DROP shall include a participation period of up to 12 months in duration; DROP participants may change the DROP termination date to an earlier date, but may not change it to a later date than elected at the time of initial DROP participation; and

WHEREAS, the Brighton Township Board of Supervisors desire to amend Chapter 43, of the Township Code to establish a Deferred Retirement Option Pension, in new Article III, with Articles II and III to collectively be the Police Pension Fund

NOW, THEREFORE, pursuant to the authority granted by the Constitution and the General Assembly of the Commonwealth of Pennsylvania, **BE IT RESOLVED AND ENACTED** by the Supervisors of the Township of Brighton, Beaver County, Pennsylvania, that the “Police Pension Fund Resolution of the Township

of Brighton” adopted August 8, 1994, and its amendments, identified currently as Article II of Chapter 43 of the Code of the Township of Brighton, is hereby amended by adding Article III to read as follows:

ARTICLE III
POLICE PENSION FUND DEFERRED RETIREMENT OPTION PLAN

§43-23 DEFERRED RETIREMENT OPTION PLAN

A. Title and Effective Date. This article shall be known and will be cited as the "Police Pension Fund DROP," and is effective January 1, 2025.

B. Definitions - The following words and phrases when used in the Article shall have the meanings given to them in this section only, unless the context clearly indicates otherwise:

- (1). "DROP" A deferred retirement option plan established and being operated by the Township of Brighton.
- (2). "DROP Participant" A retired participant of the Township of Brighton Police Pension Fund who is eligible to participate in the DROP, and who has elected to participate in the DROP program.
- (3). "DROP Participant Account" The pension trust fund ledger account.
- (4). "Normal Retirement Benefit" The retirement benefit payable to a Participant of a defined benefit pension plan at the point in time when the Participant satisfies the age and service requirements for full, unreduced retirement benefits.

C. **Maintenance of Cost Neutrality-** The Township's actuary for the Fund shall conduct a biennial review to confirm the cost neutrality of the DROP. The cost for such reviews shall be paid from Fund assets. In the event the actuary determines that the DROP, as then currently structured, cannot be offered while maintaining cost neutrality, the Township may adopt amendments to the DROP, recommended by the actuary, to maintain cost neutrality. Any such amendments are subject to approval by the Brighton Township Police Bargaining Unit and the prospective new applicant and shall not affect current DROP Participants.

DROP Participant's monthly retirement benefits shall be credited to the Participant's DROP Participant Account. The account shall accrue two and ½ percent (2.5%) interest for the period of the DROP participation. Upon termination of employment, the Participant shall receive the balance in the Participant's DROP Account and begin to receive the previously determined monthly retirement benefit. The employment of the DROP Participant by the Township of Brighton does not guarantee the DROP Participant's continued employment by the Township of Brighton through the end of the specified period of the DROP.

§42-24 ELIGIBILITY AND PARTICIPATION.

A. Eligibility of Employee to Participate in DROP - An Employee who has attained the date of eligibility for a Normal Retirement Benefit under the Fund is eligible (but not required) to elect to participate in the DROP on the first day between July 1 and December 31 by filing a written application with the retirement Fund Administrator at least thirty (30) days prior to the date that the Employee desires to enter the DROP.

B. Participation in DROP - An eligible Participant may elect to participate in this DROP for a period not to exceed 12 months. Upon deciding to participate in the DROP, a Participant must submit, on forms provided by the Township, all of the following:

- (1) A binding and irrevocable letter of resignation from regular Employment with the Township of Brighton which discloses the Participant's intent to retire and specifies the Participant's retirement date.
- (2) An irrevocable written election to participate in the DROP which must specify the effective date of DROP participation that shall be one (1) day after the Participant's specified retirement date, specify the DROP termination date which satisfy the agreed terms, detail the DROP Participant's rights and obligations under the DROP and include an agreement to forgo:
 - (a) Active membership in the Fund;
 - (b) Any growth in the salary base used for calculating the Retirement Benefits;
 - (c) Any additional benefit accrual for retirement purposes.;

The DROP Participant shall be required to provide any other information required by the Township.

C. Effective Dates of DROP Participation - A retired participant's effective date of participation in the DROP shall begin on the day following the effective date of the Participant's retirement. A retired Participant's participation in the DROP shall end on the last day of the participation period specified in the Resolution establishing the DROP based on the effective date of the retired Participant's participation in the DROP.

D. DROP Participation Termination - A DROP Participant may change the DROP termination date to an earlier date, but may not change it to a later date than elected at the time of initial DROP participation, No penalty shall be imposed for early termination of DROP participation. Upon either early or regular termination of DROP participation, the DROP Participant shall be separated from employment by the Township of Brighton and the

Fund shall pay the balance in the DROP Participant's DROP Participant Account to the terminating Participant. The DROP Participant shall be ineligible to re-enroll in the DROP thereafter even if the former DROP Participant is re-employed by the Township of Brighton with renewed active membership in the Township of Brighton Police Pension Fund.

E. DROP Participant Contributions- DROP Participants shall neither be required nor permitted to pay contributions into the Fund during the DROP participation period.

F. Fixed Retirement Benefits, Retirement Date and DROP Dates - Effective with the date of retirement, which must be the day before the effective date of DROP participation, the Participant's monthly retirement benefit as calculated under the Fund, the Participant's effective date of retirement and the Participant's effective dates of beginning and terminating participation in the DROP shall be fixed. There shall be no further retirement benefit accruals after the participant's effective date of retirement.

G. Payment of DROP Benefits - On the effective date of the DROP Participant's termination of employment with the Township as a DROP Participant, participation in the DROP shall cease; and the Fund shall calculate and pay to the Participant the Participant's total accumulated DROP benefits in the DROP Participant's DROP Participant Account subject to the following provisions:

(1) The DROP Participant or, if the Participant is deceased the Participant's named Beneficiary shall elect on a form provided by the Fund Administrator to receive payment of the DROP benefits in accordance with one of the following options:

(a) The balance in the DROP Participant's DROP Participant Account, less withholding taxes, if any, remitted to the Internal Revenue Service, and shall be paid within forty-five (45) days of the receipt of the election form, by the Fund from the account to the DROP Participant or surviving Beneficiary.

(b) The balance in the DROP Participant's DROP Participant Account shall be paid within forty-five (45) days of the receipt of the election form, by the Fund from the account directly to the custodian of an eligible retirement fund as defined in section 402(c)(8)(B) of the Internal Revenue Code of 1986 or, in the case of an eligible rollover distribution to the surviving spouse of a deceased Participant to an eligible retirement plan which is an individual retirement account or an individual retirement annuity as described in section 402 (c)(9) of the Internal Revenue Code 1986.

(c) If the DROP Participant or Beneficiary fails to elect a method of payment within 60 days after the Participant's termination date, the Fund shall pay the balance directly to the custodian of an eligible retirement plan as provided.

The form of payment selected by the DROP Participant or surviving Beneficiary shall comply with the minimum distribution requirements on the Internal Revenue Code of 1986.

DROP benefits are not subject to assignment, attachment, or levy and DROP benefits are subject to the Pennsylvania Pension Forfeiture Act.

(2) The DROP Participant shall commence receipt of the monthly retirement benefit directly starting with the first day of the month coincident with or next following termination of employment with the Township.

H. DROP Benefits for Designated Beneficiary- If a DROP Participant dies, the Participant's Designated Beneficiary shall be entitled to apply for and receive the benefits accrued in the DROP Participant's DROP Participant Account.

I. Final Credited Monthly Retirement Benefit - The monthly retirement benefit accrued in the DROP Participant's DROP Participant Account during the month of a DROP Participant's death shall be the final monthly retirement benefit credited for DROP participation.

J. DROP Eligibility Terminates upon Participant's Death- A DROP Participant's eligibility to participate in the DROP terminates upon the death of the DROP Participant. If a DROP Participant dies on or after the effective date of participation in the DROP but before the initial monthly retirement benefit of the Participant accruable for the month has accrued in the DROP Participant's DROP Participant Account, the Township of Brighton shall pay the monthly retirement benefits as though the Participant has not elected DROP participation and had died after the Employee's effective date of retirement but, before receipt of the retired Participant's first Normal Retirement Benefit.

K. DROP Eligibility Terminates upon Disability- If the DROP participant becomes eligible for a disability pension benefit and terminates employment, the monthly normal retirement benefit of the DROP participant shall terminate.

L. Eligibility for Statutory Benefits - A DROP participant shall be eligible for all pre-retirement benefits for employees otherwise provided by law, including but not limited to, the following:

- (1) The Workers' Compensation Act (the Act of June 2, 1915 (P.L. 736, No. 338);
- (2) The Enforcement Officer Disability Benefits Law (the Act of June 28, 1935 (P.L. 477 No.193);
- (3) The Unemployment Compensation Law (the Act of December 5, 1936 (2^d Sp. Sess., 1937 P.L. 28979 No. 11);

(4) The Public Safety Officers' Benefit Act of 1976 (Public Law 94-430, 42 U.S.C. § 3796);

(5) The Emergency and Law Enforcement Personnel Death Benefits Act, 53 P.S. § 891.

M. DROP Participant Application – Attached hereto, made a part hereof, and incorporated herein by reference as if more fully set forth herein is Appendix "A" is the application for DROP Retirement Benefits. The application for DROP Retirement Benefits shall be effective January 1, 2025 and shall remain in full force and effect until such time as they may be modified by negotiations between the Township of Brighton and the Brighton Township Police Bargaining Unit.

§ 43-25 ADMINISTRATIVE PROVISIONS

A. DROP Participant Account - At the time the Township of Brighton establishes a DROP it shall also establish a DROP Participant Account as a separate ledger account in its pension trust fund for each DROP participant. The account balance shall be accounted for separately but will not be physically segregated from other pension trust fund assets. A separate DROP Participant Account shall be established for each DROP Participant.

While a retired Participant is employed as a DROP Participant, the Participant's monthly retirement benefit shall be credited to the DROP Participant Account. When the DROP Participant terminates employment with the Township of Brighton as a DROP Participant, the Participant's total accumulated benefits shall be calculated, charged to the DROP Participant Account and paid out of the pension trust fund.

The balance in the DROP Participant's Account shall be included in actuarial valuation reports of the Fund prepared and filed under this legislation. The DROP Participant's Account shall be held in trust for the exclusive benefit of DROP retired Participants who are or were DROP participants and for the Beneficiaries of these Participants or an alternate payee.

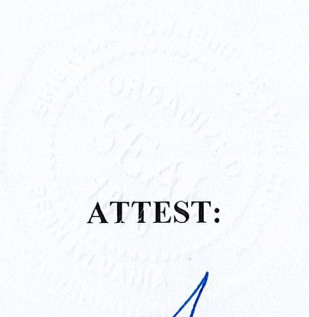
The proper officials of Brighton Township are hereby authorized and directed to do all things necessary to effectuate the purpose of this Resolution.

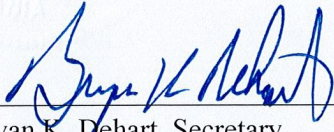
All Resolutions and parts of Resolutions inconsistent with the terms of this Resolution are hereby repealed, provided however, that such repeals shall only be to the extent of such inconsistency and in all other aspects, this Resolution shall be cumulative with the other Resolution regulating and governing the subject matter covered by this Resolution.

RESOLVED AND ADOPTED by the Board of Supervisors of Brighton Township, Beaver County, Pennsylvania, at public meeting this 12th day of August, 2024.

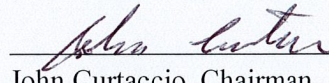
ATTEST:

**BRIGHTON TOWNSHIP
BOARD OF SUPERVISORS**





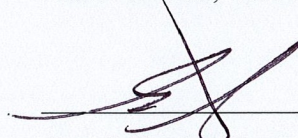
Bryan K. Dehart, Secretary



John Curtaccio, Chairman



Mark Piccirilli, Vice Chairman



Gary J. Gordon, Supervisor

DROP BENEFITS APPENDIX "A"
BRIGHTON TOWNSHIP POLICE PENSION FUND
APPLICATION FOR DROP RETIREMENT BENEFITS

Participant's name: (printed) _____

Mailing address _____

Date of Birth: ___ / ___ / _____ Soc. Security No.: _____

1. Date you desire to begin normal retirement: _____
2. Date you desire to enter the DROP fund (Note that this date must one (1) day after you elect to take your normal retirement. You are not required however to enter the DROP immediately upon attaining normal retirement date.) Date you propose to enter the DROP: _____
3. Duration of the DROP you desire (maximum 12 months) _____ months
4. Termination date of the DROP: _____

I, _____ hereby make this irrevocable application to participate in the Police Pension Fund DROP to become effective ___ / ___ / _____

Beneficiary Informationⁱ

Beneficiary's name: _____

Address: _____

Phone Number: _____

Date of Birth: ___ / ___ / _____ Soc. Security No.: _____

DROP Participant's Signature

Date:

Brighton Township Certification

Date:

ⁱ If the DROP Participant has more than one beneficiary for the death benefit under Paragraph 2.01 of this Resolution, then a separate sheet should be included with the application for DROP Retirement Benefits listing the above information for all beneficiaries of the DROP Participant.