

ORDINANCE NO. 3 of 2020

AN ORDINANCE OF THE BOROUGH OF PLYMOUTH READOPTING AND AMENDING THE CURRENT PENSION PLAN FOR THE PAID FIREMEN OF THE BOROUGH

WHEREAS, the Borough previously adopted A Fire Pension Ordinance for the Paid Fireman of the Borough on or about May 10, 1988;

WHEREAS, said Ordinance is in need of updating based upon some audit recommendations regarding the obtaining of state aide for said pension fund;

WHEREAS, there is a need to amend and update some sections of said firemen's pension fund due to outdated and obsolete language;

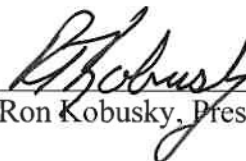
WHEREAS, the best way to update the aforesaid Ordinance is to readopt and update the pension Ordinance;

NOW THEREFORE, BE IT ORDAINED AND ENACTED by the Plymouth Borough Council that the Fire Pension Plan for paid firemen of the Borough be readopted and amended to replace the current firemen pension ordinance as hereinafter set forth as attached hereto and incorporated herein by reference thereto. All other Ordinances and resolutions inconsistent with this ordinance are hereby repealed.

This Ordinance shall become effective as provide for in § 3301.3 (b) of the Borough Code.

ENACTED AND ORDAINED the 9th day of June, 2020 at a regular meeting of the Plymouth Borough Council.

BOROUGH OF PLYMOUTH

By: 
Ron Kobusky, President of Council

ATTEST:


Secretary

[seal]

APPROVED BY THE MAYOR


Frank Coughlin, Mayor

Dated: 6/9/20

PENSIONS

Chapter 38

PENSIONS

ARTICLE I
Firemen's Pension

- § 38-1. Contributions.
- § 38-2. Records to be kept; statements.
- § 38-3. Eligibility.
- § 38-4. Vestment.
- § 38-5. Payment of vested benefits.
- § 38 . Loss of benefits.
- § 38-7. Retirement benefits.
- § 38-8. Death benefits.
- § 38-9. Distnbutions, during employment.
- § 38-10. Form of payment.
- § 38-11. Time of payment
- § 38-12. Investments.
- § 38-13. Firemen's Pension Board.
- § 38-14. Organization of Board.
- § 38-15. Meeting.
- § 38-16. Administrative expenses.

[

ARTICLE I
Firemen's Pension

§ 38-1. Contributions.

- A. As determined by the Borough Council, a percentage of the moneys received from the State Treasurer each year by the Municipal Treasurer from taxes paid upon premiums by foreign casualty insurance companies, as prescribed in the Act of March 4, 1971, P.L. 6, No. 2, Article IX, Section 902, 72 P.S. § 7902, and Act of December 18, 1984, P.L. 1005, No. 205, Section 706, 53 P.S. § 895.706, shall be deposited in the Pension Plan. This requirement will apply only if the Borough receives state aid for this plan and the percentage will be determined at the time the Borough receives State Aid for this plan.
- B. There shall also be certain mandatory contributions of ten dollars (\$10.) per pay period by the firemen to the plan. Firemen shall also be allowed to make certain voluntary contributions.
- C. The borough's contribution will be allocated among **all** paid firemen who are members of a volunteer fire company in the borough at the end of the plan year, provided that the fireman has completed at least one thousand (1,000) hours of service during the plan year. The borough shall also make a contribution for each participant who separated from a volunteer fire company during the plan as a result of retirement, disability or death.

§ 38-2. Records to be kept; statements.

- A. The borough shall establish a recordkeeping account in the name of the fireman to show the value of retirement benefits. After the end of each year, the borough will add to the fireman's account the following:
 - (1) The fireman's share of the borough's contribution for the year.

- (2) The amount of the personal contribution, roll overs or transfers for the year, if applicable.
 - (3) The fireman's share of forfeited accounts of former firemen.
 - (4) Investment earnings for the year.
- B. The borough will deduct or subtract from the individual accounts the following:
- (1) Any withdrawals or distributions made during the year.
 - (2) Any fees or expenses chargeable to the individual fireman's account.
 - (3) Any investment losses for the year.
- C. After making these adjustments, the borough will provide a statement showing the additions to and subtractions from each account during the year.

§ 38-3. Eligibility.

All paid firemen who are members of a volunteer company in the Borough of Plymouth and who have completed six (6) consecutive months of service are eligible to participate in the plan. A fireman is considered to have completed one (1) year of service for the purposes of eligibility on the anniversary of his first day of service, provided that he has worked at least one thousand (1,000) hours during that twelve-month period. A break in service occurs during a twelve-month period in which a fireman works fewer than five hundred one (501) hours.

§ 38-4. Vestment.

- A. If a fireman should terminate or leave his position with a volunteer fire company or association in the borough before attaining the age of sixty-two (62), the fireman may be entitled to receive all of his personal contributions plus the investment earnings thereon. The fireman will also be entitled to receive the vested portion of his account balance contributed from the

borough. The amount to which a fireman will be entitled to receive will be determined from the following table:

Years of Service	Percentage Vested
Less than 1	0
1	0
2	20
3	40
4	60
5	80
6 or more	100

- B. A fireman is considered to have completed one (1) year of service for purposes of vestment upon completion of one thousand (1,000) hours of service at any time during the twelve-consecutive-month period beginning with the date of hire and each anniversary thereof. A fireman will automatically become one-hundred-percent vested in his account balance from borough contributions regardless of his service if he dies before attaining age sixty-two (62) or if he retires due to disability or if the plan is terminated.

§ 38-5. Payment of vested benefits.

The vested portion of a fireman's account will be paid to him following his termination of employment. If a fireman's vested benefit from the contributions exceeds three thousand five hundred dollars (\$3,500.), a fireman may, with approval of the borough, defer payment of his benefit until April 1 of the year following his attainment of age seventy and one-half (70 1/2). The portion of the fireman's account balance to which he is not entitled is called a "forfeiture" and remains in the plan for the benefit of other participants.

§ 38-6. Loss of benefits.

There is one (1) event which can cause forfeiture of all or a portion of a fireman's account. The termination of the employment before a fireman is one-hundred-percent vested according to the vesting table described herein.

§ 38-7. Retirement benefits.

The full value of a fireman's account balance is payable to him at normal or disability retirement or when the fireman has attained twenty (20) years of service. If a fireman works beyond his normal retirement age, which is sixty-two (62) years for purposes of the plan, he can allow his retirement benefits to continue to accumulate in the plan or may elect payment. In either event, the fireman will continue to fully participate in the plan. If a fireman continues to work, the commencement date for payment of his benefits can be deferred until April 1 of the year following his attainment of age seventy and one-half ($70\frac{1}{2}$).

§ 38-8. Death benefits.

In the event of a fireman's death, the full value of his account is payable to his spouse in the form of a lump sum payment or a life annuity unless he is not married or a different beneficiary or form of payment is elected by him with approval of his spouse. Optional forms of payment include a lump sum or installments payable over any **period** which does not exceed the life expectancy of his beneficiary. If a fireman dies after benefit payments have started, his beneficiary will continue to receive payments in accordance with the payment option selected.

§ 38-9. Distribution upon Retirement or termination

Benefits can only be paid upon retirement or upon separation from employment for any reason.

§ 38-10. Form of payment.

When benefits become due, the fireman or his representative shall apply to the borough requesting payment of his account and specifying the manner of payment. Distributions can be made in a lump sum or, if the account balance from related contributions exceeds three thousand five hundred dollars (\$3,500.), in installments. The normal form or automatic form of payment is a lump sum. If a fireman does not wish to receive the normal form of payment when his payments are due to start, he may request to receive his benefits in a different form, provided that installment payments may not be made over any period which exceeds the life expectancy of the fireman and his beneficiary.

§ 38-11. Time of payment.

Payments will normally commence on the date specified by the fireman in his written request to the borough. If no request for payment is made, the account balance of the fireman will be paid in a lump sum within sixty (60) days following the end of the plan year in which his service is terminated.

§ 38-12. Investments.

The money in the Pension Fund shall be invested in a trust fund in various securities, including stocks, bonds, money market instruments, savings accounts, certificates of deposit, treasury bills, mutual funds, insurance contracts or any other investments which will carry out the investment objectives of the plan. Actual investment decisions are made by the Investment Manager as defined later.

§ 38-13. Firemen's Pension Board.

There shall be appointed in the borough a Firemen's Pension Board consisting one of the paid fire drivers, the President of the Borough Council, the chief administrative officer of the Board, and the member of the Council who is Fire Department chairperson.

§ 38-14. Organization of Board.

The Firemen's Pension Board shall thereafter elect a President, Secretary, Treasurer, Trustee and Investment Manager. The President shall be the chairman of the Pension Board. The Secretary shall take all the minutes and maintain all records pertaining to the Board. The Treasurer shall maintain the financial books and records of the Board and, together with the President, shall have the authority to draft and sign checks on behalf of the Board. The Investment Manager shall be responsible for the selection of plan investments which, in his judgment, are prudent and carry out the investment objectives of the plan.

§ 38-15. Meeting

The Chief Administrative Officer and two representatives of the Council shall hold a minimum of one meeting per year with the plan participants.

§ 38-16. Administrative expenses.

Any expenses incurred in the administration of the Pension Plan Account herein created shall be paid by and through the plan itself.