

ORDINANCE NO. 1755

AN ORDINANCE OF THE TOWNSHIP OF UPPER MORELAND AMENDING AND REENACTING CHAPTER 45, TITLED "PENSIONS AND RETIREMENT", ARTICLE 1, "POLICE PENSION PLAN" OF THE TOWNSHIP CODE OF UPPER MORELAND TOWNSHIP.

WHEREAS, Upper Moreland Township is a township of the first class, organized and operating in accordance with the laws of the Commonwealth of Pennsylvania; and

WHEREAS, Upper Moreland Township maintains a police force of three or more full-time members and has previously enacted and maintains a Police Pension Plan in accordance with the Pennsylvania Municipal Police Pension Law, Act of May 29 (1956) 1955, P.L. 1804, known as Act 600; and

WHEREAS, the Board of Commissioners of Upper Moreland Township desire to amend the police pension plan to reflect, in part, changes pursuant to the most current collective bargaining agreement with the Upper Moreland Township Police Benevolent Association, as well as, to correct or otherwise amend certain language in accordance with applicable law; and

NOW THEREFORE, the Board of Commissioners of Upper Moreland Township adopts the following to be included in the Upper Moreland Code as follows:

SECTION 1. Chapter 45, titled "Pensions and Retirement", Article 1, "Police Pension Plan" of the Township Code shall be reenacted and amended effective January 1, 2015 to read as follows:

ARTICLE 1 – POLICE PENSION PLAN

§ 45-1. Establishment

A. The Township of Upper Moreland (the "Township") hereby creates, establishes and reestablishes the Upper Moreland Municipal Police Pension Fund, a municipal police pension fund (the "Police Pension Plan" or "Plan"), which Plan shall be maintained by a charge against each member of the police force; by annual appropriations made by the Township; by payments made by the Treasurer of the Commonwealth of Pennsylvania to the Treasurer of the Township, from the monies received pursuant to the Municipal Pensions Plan Funding Standard and Recovery Act, Act of December 18, 1984, P.L. 1005, No. 205, 53 P.S. Section 895.102 et seq. (the "Act"); and by gifts, grants, devises or bequests granted to the said Plan.

B. The terms of the Plan as described herein reflect the terms of the Police Pension Plan with respect to Plan Members who are actively working as Police Officers on or after January 1, 2015, the restatement date. The terms of the Plan as applicable to Plan Members who terminated service as Police Officers prior to January 1, 2015 shall be determined by the ordinance(s) and collective bargaining agreements establishing the Plan's terms as of the applicable date of reference.

§ 45-2. Definitions

As used in this Article, the following words or terms shall have the following meanings:

A. "Anniversary Date" shall mean the date in each calendar year that coincides with the date of the commencement of the Police Employee's employment as a full time sworn Police Officer for the Township, and each anniversary thereof.

B. "Beneficiary" shall mean, as the case may be, a Police Officer retired or discharged from active service with the Township, or the surviving Spouse of a Police Officer, or the Child or Children of a Police Officer, which person is entitled to benefits under the provisions of this Police Pension Plan.

C. "Child" or "Children" shall mean the natural or legally adopted son or sons or daughter or daughters of a Police Officer, who have not attained the age of eighteen (18) years or twenty-three (23) years if attending college. For the purpose of this definition, "attending college" shall be defined as being enrolled in an accredited institution of higher learning and carrying a minimum course load of seven (7) credit hours per semester. Child shall include any unborn Child of a Police Officer.

D. "Code" shall mean the Internal Revenue Code of 1986, as amended periodically.

E. "Compensation" shall mean

(1) for Police Officers whose commencement of employment as a full-time Police Officer is before July 1, 2003, the sum of the Police Officer's total earnings, compensation and wages, including base annual salary, payment for overtime, vacation pay, longevity increment pay, K-9 and special duty pay, shift differential, holiday pay, educational incentive bonus, sick pay, on-call pay or any other direct monetary compensation paid by the Township of Upper Moreland to such Police Officer for the performance of services and duties of a Police Officer, but excluding reimbursed expenses, non-monetary compensation, such as fringe benefits paid by the Township, and other payments made in lieu of expenses.

(2) for Police Officers whose commencement of employment as a full-time Police Officer is on or after July 1, 2003, the sum of the Police Officer's total earnings, compensation and wages, as set forth above in Section 45-2(E)(1), except that Compensation shall not include any lump sum payments for accrued but unused leave time, including holiday time, which was earned outside of the final thirty-six (36) months of the Police Officer's employment included in Final Average Monthly Compensation.

(3) Compensation for purposes of both subsections (1) and (2) above shall include any amount deducted from current salary and any amounts that would be included in wages but for an election under Code Sections 125(a), 132(f)(4), 402(e)(3), 403(b), 414(h)(2) or 457(b).

F. "CPI-U" shall mean the Consumer Price Index – Philadelphia Area – All Urban Consumers, as published by the Department of Labor of the United States for the applicable period last preceding the application of such CPI-U to any benefits under this Police Pension Plan.

G. “Credited Service” shall be determined as follows:

(1) Each Police Officer who is employed by the Township for one thousand (1,000) hours or more of compensable time from his or her Anniversary Date through the date on which he or she retires or separates from service shall earn one (1) year of Credited Service for each calendar year that he or she is employed as a full time sworn Police Officer by the Township.

(2) In addition to the above and as provided in Section 45-11(C), each Police Officer may purchase up to five (5) years of service credits upon completing five (5) years or more of Credited Service as a full-time sworn Police Officer for the Township. Such “acquired service credits” shall constitute Credited Service for Pension Plan purposes only, in strict accord with the intervening and non-intervening military service provisions of the Act of May 29, 1956, P.L. (1955) 1804, Section 4, as amended 52 P.S. Section 770. The Police Officer will be required to pay into the Trust Fund the actuarial cost to obtain the Credited Service in the manner provided in accordance with approved actuarial standards.

H. “Early Retirement Benefit” or “(i.e. Act 24 benefit)” shall mean an EARLY RETIRMENT benefit to be provided consistent with Section 771(i) of Act 600, 53 Pa. Stat. Ann. § 771(i) (i.e. Act 24). The early retirement benefit shall be provided to a member of the police force with twenty or more years of service who terminates employment prior to the completion of superannuation retirement age and service requirements and who files a written application for an early retirement benefit with the governing body of the Township. The early retirement benefit shall become effective as of the date the application is filed with the governing body or the date designated on the application, whichever is later, and shall be the actuarial equivalent of a partial superannuation retirement benefit calculated in accordance with the terms of 53 Pa. Stat. Ann. § 771(i).

I. “Final Average Monthly Compensation” shall mean the sum of the Police Officer’s total Compensation which is earned or payable in the Police Officer’s final thirty-six (36) months of service divided by thirty-six (36).

J. “415 Compensation” shall mean a Police Officer’s wages as defined in Code Section 3401(a) for a Plan Year for which the Township is required to provide the Plan Member a written statement under Code Sections 6041(d), 6051(a)(3) and 6052. Such 415 Compensation shall include any elective deferrals defined in Code Section 402(g)(3) and all amounts contributed or deferred at the election of the Police Officer which are not includible in the gross income of the Plan Member by reason of either Code Sections 125A, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b), 414(h)(2) or 457.

K. “Fund” or “Trust Fund” shall mean the trust maintained in accordance with the Trust Agreement through which the benefits under the Plan are funded.

L. “Injury” shall mean any wound, damage, impairment or other adverse effect to or upon the health, physical or mental condition of a Police Officer.

M. “Normal Retirement Age” shall mean fifty (50) years of age (and having 25 years of service). For all officers hired after June 22, 2022 the normal retirement age shall increase from age fifty (50) to age fifty-five (55) (and having 25 years of service).

N. "Normal Retirement Date" shall mean the date on which an officer who was hired before June 22, 2022 reaches fifty (50) years of age and attains 25 years of service. For all officers hired after June 22, 2022 the normal retirement date shall mean the date on which such officer reaches the age of fifty-five (55) and attains 25 years of service.

O. "Plan Administrator" shall mean the duly designated person or entity charged with the administration of the payment of benefits under the Police Pension Fund.

P. "Plan Member" shall mean a participant in the Police Pension Plan.

Q. "Police Officer" shall mean a duly appointed and sworn Police Officer employed by the Township on a full time basis, as well as the Police Chief, but shall not include any Police Officer employed on a part time basis by the Township. A "Police Officer" does not include any non-Police Officer employee of the Township such as, without limitation, school crossing guards, dispatchers, police matrons, animal control officers, the Township's Service Officer, and secretarial staff.

R. "Police Chief" shall mean the duly appointed Chief of Police of the Township Police Department appointed to that rank by the Board of Commissioners.

S. "Qualified Military Service" shall mean any service (either voluntary or involuntary) by a Police Officer in the Uniformed Services if such Police Officer is entitled to reemployment rights with the Township with respect to such service under the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended.

T. "Regulations" shall mean the Regulations, as amended periodically, adopted by the Internal Revenue Service with respect to the Code.

U. "Returning Veteran" shall mean a former Police Officer who returns from Qualified Military Service to employment by the Township within the period of time during which his reemployment rights are protected by law.

V. "Service Increment" shall be as defined in Section 45-16.

W. "Service-Related Total Disability" shall mean a Total Disability suffered by a Police Officer that was incurred in the course of, or as a result of his or her performance of duty as, a Police Officer. A Total Disability will be deemed to be "Service-Related" if it is compensable under Pennsylvania's Workers' Compensation Act or the Pennsylvania Occupational Disease Act.

X. "Spouse" shall mean a living person to whom the Police Officer was legally married or a living person to whom a retired Police Officer was legally married at the time of death of such Police Officer or retired Police Officer.

Y. "Total Disability" shall mean a disability as a result of an injury, disease or condition, which totally and permanently renders a Police Officer incapable of performing the normal duties and functions of a Police Officer in the service of the Township.

Z. "Township" shall mean the Township of Upper Moreland.

AA. "Trust Agreement" shall mean the agreement and declaration of trust executed for purposes of the Plan.

BB. "Uniformed Services" shall mean the Armed Forces of the United States, the Army National Guard and Air National Guard (when engaged in active duty for training, inactive duty training, or full-time National Guard duty), the commissioned corps of the Public Health Service, and any other category of persons designated by the President of the United States in time of war or emergency.

§ 45-3. Trustees

A. The Plan shall be administered in accordance with the provisions of the Act and under the terms of the Trust Agreement, made November 9, 1971, as amended and restated from time to time, approved by the Board of Commissioners.

B. The Plan shall be administered by five (5) trustees (the "Trustees"), appointed by the Board of Commissioners. All of the Trustees, except for the Police Trustee as hereafter provided, shall be residents of the Township and, except for the of Board of Commissioners' Trustee as hereafter provided, shall serve a three year term or until a successor qualifies. One (1) of the Trustees shall be a member of the Board of Commissioners ("Board of Commissioners' Trustee") and one (1) of the Trustees shall be an active duty member of the Police Department ("Police Trustee"). Both the Board of Commissioners' Trustee and the Police Trustee shall have alternate members appointed for them, which alternates may attend and participate in all meetings of the Trustees, but shall have no vote, except in the case of the absence of the appointed Trustee for whom such alternate is appointed. The Chairman of the Trustees shall be selected by a majority vote from the Trustees other than the Board of Commissioners' Trustee and the Police Trustee.

C. The Board of Commissioners may also appoint a corporate fiduciary to act as co-trustee.

D. The Trustees, with the approval of the Board of Commissioners, may also appoint an actuary, all reasonable expense therefore to be paid by the Township or as an administrative expense of the Plan.

§ 45-4. Normal Retirement and Early Retirement

A. Each Police Officer who has retired and received an honorable discharge from the police force will become eligible for a Normal Retirement Pension Benefit upon attaining Normal Retirement Age, provided he has completed at least twenty-five (25) years of Credited Service as a Police Officer of the Township. Notwithstanding the foregoing, for a Police Officer whose commencement of employment as a full-time Police Officer is on or after June 1, 2015, to be eligible for the Normal Retirement Pension Benefit, his or her chronological period of active service as a full-time Police Officer must equal or exceed twenty-five (25) years. The Normal Retirement Pension Benefit beginning at Normal Retirement Age will be paid as a monthly pension benefit equal to fifty percent (50%) of such Police Officer's Final Average Monthly Compensation, together with the Service Increment, if any.

B. The Normal Retirement Pension Benefit will commence upon the first day of the month which is either coincident with or which next follows the retirement of the Police Officer from active service as a Police Officer employed by the Township following attainment of Normal Retirement Age. Normal Retirement Age shall mean fifty (50) years of age (and having 25 years of service) for officers who were hired before June 22, 2022. For all new officers hired after June 22, 2022 the normal retirement age shall mean fifty-five (55) years of age (and having 25 years of service).

C. EARLY RETIREMENT (Act 24) BENEFIT. Effective June 22, 2023, the Pension Plan shall provide for an EARLY RETIREMENT benefit to be provided consistent with Section 771(i) of Act 600, 53 Pa. Stat. Ann. § 771(i). The early retirement benefit shall be provided to a member of the police force with twenty (20) or more years of service who terminates employment prior to the completion of superannuation retirement age and service requirements and who files a written application for an early retirement benefit with the governing body of the Township. The early retirement benefit shall become effective as of the date the application is filed with the governing body or the date designated on the application, whichever is later, and shall be the actuarial equivalent of a partial superannuation retirement benefit calculated in accordance with the terms of 53 Pa. Stat. Ann. § 771(i).

§ 45-5. Deferred Retirement Option Plan

A. Any active Police Officer who has reached Normal Retirement Age and has twenty-five (25) years of Credited Service shall be eligible to participate in the Deferred Retirement Option Plan (“DROP”) at his or her option in conformance with this Section and after providing at least thirty (30) days written notice to the Township.

B. Election to participate by an eligible Police Officer shall be made following the date on which the Police Officer fulfills the minimum age and service requirements for a Normal Retirement Pension Benefit under the Plan. Once a Police Officer commences participation in DROP, he or she may not choose to end participation in DROP and resume contributions to the Plan.

C. Election to participate in DROP shall be made by completing the required request and enrollment forms created by the Township. The elected DROP entry date shall not be given effect unless such date is at least thirty (30) days following the date that the Township received the required enrollment forms. The electing eligible Police Officer shall specify his or her desired DROP entry date and deferred retirement date. After review of the completed forms the Township will provide the eligible Police Officer with an enrollment notice confirming his or her elections and specifying his or her calculated retirement benefit amount. The enrollment notice shall include a disclaimer of liability with respect to any tax consequences or investment performance related to a Participant’s DROP account. If the eligible Police Officer does not sign and return the enrollment notice within thirty (30) days of receipt, his or her election to enter DROP shall be considered null and void.

D. The DROP term shall be for a period not more than forty-eight (48) months from the date of entry (or thirty six (36) months with respect to DROP Participants with a date of entry prior to January 1, 2012). Once enrolled in DROP the Participant can end his or her participation at any time, but no later than forty-eight (48) months from date of entry (or thirty six (36) months with respect to DROP Participants with a date of entry prior to January 1, 2012). If Police Officer ends his or her participation in the DROP Program during the DROP term, such action shall

constitute a voluntary resignation from employment. Participation in DROP does not constitute a guarantee of employment for the DROP term, nor does the Township waive the right to take disciplinary action, including termination, during the DROP term for any lawful reason set forth in the Civil Service Section of the First Class Township Code.

E. Once enrolled in DROP, the Participant shall be retired under the Plan for the purpose of calculating pension benefits and all compensation to be redeemed and/or paid under the Collective Bargaining Agreement upon a Police Officer's retirement, but not for the purpose of employment with the Upper Moreland Police Department. The DROP Participant shall continue to receive all other employee benefits and programs as set forth in the Collective Bargaining Agreement. Once a Police Officer enters DROP, he or she shall no longer be required to make contributions to the Plan, nor shall he or she be eligible for any further pension benefits other than the pension benefit determined in Subsection F below.

F. Payments to DROP will be made at the Participant's calculated monthly retirement benefit amount at the date the Police Officer enters DROP. Payments shall be sent to the DROP Participant's account with the Investment Manager on a monthly basis. Payments to DROP shall be increased pursuant to the Cost of Living Adjustments as set forth in Section 45-15 of this Article.

G. Upon the termination date set forth in the Participant's enrollment form, unless a voluntary or involuntary termination occurs sooner, the pension benefits payable to the Participant or Participant's beneficiary, if applicable, shall be paid to the Participant or Beneficiary and shall no longer be paid to the Participant's DROP account. Between thirty (30) days and ninety (90) days prior to a Participant's stated termination date, the Participant shall provide instructions to the Investment Manager mutually selected by the Township and the Upper Moreland Police Benevolent Association ("UM PBA") (as described in Subsection H below) regarding the desired disposition of the balance in his or her DROP account. It is understood by the parties that each Participant must obtain his or her own professional legal and/or tax advice to determine and analyze the propriety and impact of his or her desired disposition of the DROP account balance under state, federal and local tax laws. The Township assumes no responsibility in this regard whatsoever, and the DROP enrollment form shall contain this disclaimer of liability and must be acknowledged by each Participant upon enrollment

H. DROP accounts shall be administered by Investment Manager(s) who shall be mutually selected by the Township and UM PBA. The costs and fees associated with the management and administration of the DROP shall be paid exclusively by the DROP Participant. The DROP Participant shall be solely and exclusively responsible for all risks associated with his or her account with the Investment Manager. The Township shall have no responsibility or liability for the performance of a Participant's DROP account, and the enrollment form required of each Participant shall require an acknowledgment of this disclaimer.

I. The Township has made no representations regarding the manner in which DROP accounts must be treated for federal, state or local tax purposes and that the Township shall bear no responsibility, financial or otherwise, for any tax consequences to the DROP Participants. Any such consequences, including any fines or penalties, as well as any professional legal and/or tax advice which may be appropriate, shall be the sole and exclusive responsibility of each DROP Participant. The UM PBA has contractually agreed to hold harmless the Township for any penalties, fines or costs imposed or assessed by the United States Internal Revenue Service, the

Pennsylvania Department of Revenue, or any municipality or other governmental agency or entity with taxing authority, which relate to the manner in which the parties have agreed to treat DROP accounts as described herein provided it was not caused by the negligence of the Township. As soon as the Township becomes aware of any fines or penalties or the possibility thereof, the Township shall notify the UM PBA and allow the UM PBA to participate in any defense or appeal of said fines or penalties.

J. If a Participant becomes temporarily disabled, the participant shall receive disability pay in the same amount as Police Officers that are not participating in DROP. If the disability is determined to be no longer temporary, the Township may honorably discharge that Participant pursuant to the Civil Service Section of the First Class Township Code. In which, case, the date of honorable discharge shall be deemed that participant's deferred retirement date. No period of disability shall postpone the deferred retirement date set forth on a Participant's enrollment notice.

K. If a DROP Participant dies during the DROP period and the Act 600 killed-in-service death benefit is payable, then the DROP election shall be revoked and the DROP account shall not be payable to any designated beneficiary of the deceased DROP participant. If death occurs during the DROP period but the Act 600 killed-in-service death benefit is not payable, then the DROP participant's designated beneficiary shall be entitled to a lump sum payment of the DROP account balance.

L. The DROP shall be interpreted, if possible, to be consistent and not in conflict with any provision of the Constitution or statutes of the Federal Government or the Commonwealth of Pennsylvania. If, after DROP is instituted, the Internal Revenue Service, any agency of the Commonwealth of Pennsylvania, the Pennsylvania Commonwealth Court, and/or the Pennsylvania Supreme Court issues an official opinion, pension audit finding or pension audit observation indicating that any benefit or component of this DROP is in conflict with Pennsylvania law, the Township shall bargain with the UM PBA in accordance with Act 111, 43 P.S. § 217.1 *et seq.*, over deletion of this benefit or component. In the event any such opinion, audit finding or observation relates specifically to the disability pension provisions under Subsection J above, the relevant provision shall be rendered void, and the Township shall immediately commence bargaining on that issue with the UM PBA. If legislation is passed in Pennsylvania establishing a DROP plan, this Section 45-5 shall be conformed to said legislation. The Township shall further commence bargaining with the UM PBA if necessary to resolve any logistical obstacles that may arise in connection with initially implementing the DROP accounts as described herein.

§ 45-6. Service Related Total Disability

A. The Police Pension Plan will provide for a "Service-Related Disability Pension" available to each full time Police Officer who sustains a Service-Related Total Disability. However, a Service-Related Disability Pension will not be paid if the Service-Related Total Disability is the result of the use of alcohol or habit-forming drugs or if the injury is self-inflicted.

B. There shall be no minimum period of Credited Service required for a Police Officer to be eligible for a Service-Related Disability Pension.

C. A Police Officer who is eligible for a Service-Related Disability Pension will be granted an Honorable Discharge and then be paid effective as of the first day of the month

coincident with or which next follows the grant of the Honorable Discharge a monthly Service-Related Disability Pension benefit as follows:

(1) (i) With respect to a Police Officer whose commencement of employment as a full-time Police Officer is prior to June 1, 2015, that sum of money which shall be equal to one hundred percent (100%) of the Police Officer's Final Average Monthly Compensation, reduced or offset by any payment received in the calendar month by reason of benefits received by the Police Officer pursuant to the Social Security Disability Insurance Act, 42 U.S.C. Section 423 (there will be no offset for normal Social Security Retirement benefits, 42 U.S.C. Section 402), the Occupational Disease Act, any Workers' Compensation Insurance benefits for loss of wages and any disability insurance payments received under a policy or plan of insurance purchased or paid for by the Township.

(ii) With respect to a Police Officer whose commencement of employment as a full-time Police Officer is on or after June 1, 2015 who suffers a Service-Related Total Disability connected disability, the Service-Related Disability pension benefit shall be fifty percent (50%) of Final Average Monthly Compensation with no offset for Workers' Compensation and no Cost of Living Adjustment ("COLA") until his or her normal retirement date.

(iii) Should the Police Officer secure a commutation of his or her Worker's Compensation wage loss benefit, then in that event the amount received after deducting attorney's fees and costs paid to secure the same, shall be amortized monthly over the remaining number of years of the affected Police Officer's life expectancy using both the interest rate and the life expectancy tables set forth in the Plan's actuarial report for the calendar year in which the commutation is received. The monthly benefit payable from the Plan shall be reduced by such amortized monthly value of the commutation. At the expiration of the period fixed by the life expectancy table, the amortized monthly value of the commutation shall end and the monthly benefit paid to the Police Officer will be adjusted upwards. The offset for the amortized monthly value of the commutation shall not apply to the surviving Spouse or dependent Child benefit.

(2) The Service-Related Disability Pension will not be offset for earnings or compensation received from other gainful employment or by reason of the normal Social Security Retirement benefit.

(3) When the disabled Police Officer attains the age of sixty-five (65) years, the Service-Related Disability payments shall be recomputed and adjusted to fifty percent (50%) percent of his or her Final Average Monthly Compensation, together with the (as applicable) Cost of Living Adjustment increases authorized as of the February 1 that is coincident with or next follows the close of the "Wait Period" as defined in Subsection (4) below, from and after the date of his or her Honorable Discharge up to the maximum monthly COLA-adjusted pension described in Section 45-15(D).

(4) The "Wait Period" shall close as of the first February 1 which occurs in the fourth (4) year from the calendar year in which the Police Officer is granted an Honorable Discharge, inclusive, if prior to July 1; and the fifth (5) year if honorably discharged on or after July 1. For example, if the Police Officer is honorably discharged on March 31, 1999, the cost of living adjustment herein provided would commence on February 1, 2002, (i.e., 1999, 2000, 2001 and 2002).

D. A Service-Related Disability Pension requires a finding of permanent disability. The physical or psychological restrictions or limitations giving rise to the Police Officer's Honorable Discharge as above is distinguished from the Heart and Lung Act benefits arising by reason of a disability resulting from a "service-related" injury, accident, illness, impairment, occupational disease or condition that is "temporary in nature", although the temporary disability may precede Total Disability.

E. (1) A determination made by the Board of Commissioners that a Police Officer is not Totally Disabled as that term is herein defined, may be reviewed and reconsidered by the Board of Commissioners at any time with the understanding that a previous rejection of eligibility for a Service-Related Disability Pension will not be evidence or collateral estoppel in a subsequent proceeding involving that Police Officer.

(2) A Police Officer who has been determined to be eligible for a Service-Related Disability Pension may be required by the Township to undergo reasonable periodic medical evaluations and medical testing. The Board of Commissioners may reevaluate the disabled Police Officer's continued eligibility with competent medical testimony based upon a reasonable degree of medical certainty, using a clear and convincing evidence standard. A Police Officer who is adjudged to be able to perform all of the normal and usual functions and duties of a Police Officer will then be eligible for immediate reinstatement to active service.

§ 45-7. Police Officer Killed In The Line Of Duty

A. Subject to Subsection F below, the surviving Spouse of a Police Officer who is killed in the line of duty will be paid a pension benefit in a monthly amount equal to one hundred percent (100%) of his or her monthly salary at the time of death.

B. Should the surviving Spouse die, or should the Police Officer be killed in the line of duty without having a surviving Spouse, then in that event, the surviving Child or Children shall receive a monthly pension benefit equal to a pro rata portion of the full benefit that would have been payable under Subsection A above to the surviving Spouse of the deceased Police Officer. Children are eligible for survivor benefits until attaining the maximum age set forth in Act 30 of 2002. As each Child of the deceased Police Officer ceases to be eligible for a share of the benefit described in Subsection A above by reason of attaining the age of eighteen (18) years or twenty-three (23) years of attending college, the share of such Child shall be allocated to the remaining Children of the deceased Police Officer who do qualify hereunder.

C. The pension benefit payable to the surviving Spouse or eligible Children of the deceased Police Officer will not be offset by any Social Security Retirement or Disability benefits or by any Workers' Compensation benefits payable by reason of the death of the Police Officer.

D. The benefits payable to the surviving Spouse hereunder will terminate upon the death of the surviving Spouse.

E. The first monthly pension benefit under this Section 1.06 shall be paid to the eligible Beneficiary on the first day of the month which follows:

- (1) The date on which the Police Officer's death occurs; or

(2) for the deceased Police Officer's Child or Children, the date on which such deceased Police Officer's surviving Spouse dies, in the event there was a surviving Spouse, otherwise, the date on which the Police Officer's death occurs.

F. Pursuant to the 2011 Act 111 Interest Arbitration Award dated November 8, 2011, the benefit described in this Section 45-7 is eliminated effective November 8, 2011, with respect to a Police Officer killed in the line of duty on or after that date.

§ 45-8. Pro Rata Pension Benefit

A. Each Police Officer may retire from the Township's Department of Police upon his or her completion of twelve (12) years of Credited Service as a full-time Police Officer. A monthly Pro Rata Pension Benefit, beginning as of the first day of the month on or next following the Police Officer's attainment of Normal Retirement Age, will be payable to a Police Officer who renders the minimum number of years of Credited Service required to vest his or her pension benefit (see Section 45-24). Alternatively, such Police Officer may elect to receive a refund of all monies paid to him or her into the Plan, together with interest on such monies, as provided in Section 45-20 hereof.

B. (1) For a Police Officer whose commencement of employment as a full-time Police Officer was before July 1, 2003, the basic monthly Pro Rata Pension Benefit will be equal to fifty (50%) percent of the Police Officer's Final Average Monthly Compensation multiplied by a fraction, the numerator of which is the total number of years of Credited Service rendered by the Police Officer with the Township and the denominator of which is twenty-five (25) years, the minimum number of years of Credited Service for a Normal Retirement Pension Benefit. For example, a Police Officer who renders twenty (20) years of Credited Service will be eligible for a Pro Rata Pension Benefit calculated as follows:

Twenty (20) years of Credited Service (Numerator)

Divided by

Twenty-five (25) years, the minimum for a Normal Retirement Pension Benefit
(Denominator)

Equals

20/25 or 4/5 or eighty (80%) percent of the Normal Retirement Pension Benefit

The percentage of the Normal Retirement Pension Benefit will be multiplied by fifty percent (50%) to determine the Pro Rata Pension Benefit (80% X 50% equals 40%)

In the example, forty percent (40%) of the Police Officer's Final Average Monthly Compensation would be the Pro Rata Pension Benefit.

(2) For Police Officers whose commencement of employment as a full-time Police Officer is on or after July 1, 2003, a Police Officer's vested Pro-Rata Pension Benefit is equal to fifty percent (50%) of the Police Officer's Final Average Monthly Compensation multiplied by a fraction the numerator of which is the Police Officer's number of years of Credited Service at termination of employment and the denominator of which is the number of years of

Credited Service that the Police Officer would have accumulated had he or she worked until both the age and service requirements for a Normal Retirement Pension Benefit had been satisfied.

§ 45-9. Death Benefits

A. Upon the death of a Police Officer eligible to receive benefits under the provisions of Section 45-4 or Section 45-8 hereof, or upon the death of a retired Police Officer receiving benefits under the provisions of Section 45-4, Section 45-6, or Section 45-8 hereof, the surviving Spouse of such Police Officer shall be paid monthly a pension benefit as follows:

(1) To a surviving Spouse, sixty-five percent (65%) of the pension benefit which the Police Officer would have been eligible to receive or was receiving as of the Police Officer's death. This surviving Spouse pension benefit will continue until the death of the surviving Spouse.

(2) If there is no surviving Spouse of the deceased Police Officer, or if the Spouse shall die at any time during which benefits were being paid under this Section 45-9, the death benefits under this Section 45-9 shall be payable to the Child or Children of the deceased Police Officer in the total amount of sixty-five (65%) percent of the pension benefit which the Police Officer would have been eligible to receive or was receiving as of his or her date of death, until each Child of the deceased Police Officer ceases to be eligible for Pension benefits hereunder by reason of attaining the age of eighteen (18) years or twenty-three (23) years if attending college as defined in Section 45-2(C).

B. The first monthly pension benefit shall be paid to the surviving Spouse or to the eligible Child or Children, as applicable, on the first day of the month coincident with or next following:

(1) The date on which the Police Officer's death occurs;

(2) For the deceased Police Officer's Child or Children, the date on which such deceased Police Officer's surviving Spouse dies, in the event there was a surviving Spouse, otherwise, the date on which the Police Officer's death occurs.

C. As each Child of the deceased Police Officer ceases to be eligible for the death benefit described in this Section 45-9, that Child's share will then become payable to the remaining eligible Children of the deceased Police Officer who do qualify hereunder. The monthly pension benefit formerly paid to an eligible Child of the deceased Police Officer who either dies or has attained the age of eighteen (18) years if not attending college or twenty-three (23) if attending college, will then be allocated among the remaining surviving eligible Children of the deceased Police Officer, provided, however, that the aggregate monthly pension benefit payable to the deceased Police Officer's eligible Children under this section shall not exceed the monthly spousal benefit that either had been paid to the surviving Spouse or would have been payable.

D. Further, any Child *en ventre sa mere* at the time of the Police Officer's death who is thereafter born to the surviving Spouse of the Police Officer will be considered to be an eligible "Child" hereunder from the date of his or her birth and such after-born Child will be eligible for inclusion in the monthly survivor's benefit hereinabove provided.

§ 45-10. Non-Service Related Death

A. Subject to the limitation in Subsection B below, should a Police Officer die while employed by the Township by reason of a non-service related death, and the Police Officer has rendered twelve (12) years or more of Credited Service, the Pension Benefit for that Police Officer will be deemed vested. In that event, should the Police Officer leave a Spouse to survive him or her, a Pro Rata Pension Benefit shall be payable to his or her surviving Spouse from the Pension Plan, equal to fifty percent (50%) of the amount of the Police Officer's Pro Rata Pension Benefit, which shall be paid until the surviving Spouse either dies or remarries, whichever event first occurs.

(1) Should the Police Officer die and he or she has no surviving Spouse, but has left dependent Children, the dependent Child or Children will be eligible to receive fifty (50%) percent of the Police Officer's Pro Rata Pension Benefit earned by the deceased Police Officer, which pension benefit will be paid as herein provided until such time as the dependent Child shall attain the age of eighteen (18) years. As each Child of the deceased Police Officer ceases to be eligible for the death benefit described in this Section 45-10, that Child's share will then become payable to the remaining eligible Children of the deceased Police Officer who do qualify hereunder. The monthly pension benefit formerly paid to an eligible Child of the deceased Police Officer who either dies or has attained the age of eighteen (18) years, will then be allocated among the remaining surviving eligible Children of the deceased Police Officer, provided, however, that the aggregate monthly pension benefit payable to the deceased Police Officer's eligible Children under this Section shall not exceed the monthly spousal benefit that either had been paid to the surviving Spouse or would have been payable.

(2) The Non-Service Related Death Pension benefit authorized in this Section will commence on the first day of the month which next follows that month in which the Police Officer has died.

B. Notwithstanding the foregoing, the surviving Spouse of a Police Officer whose commencement of employment as a full-time Police Officer is on or after June 1, 2015 and whose pension benefit vests and which Police Officer dies before attaining his or her Normal Retirement Age will be entitled to benefits authorized by Act 600 commencing as of the first day of the month coincident with or next following the deceased Police Officer's Normal Retirement Age. Neither the surviving Spouse nor the Children of a Police Officer whose commencement of employment as a full-time Police Officer is on or after June 1, 2015 shall receive the benefit described in Section 45-10(A).

§ 45-11. Credit for Military Service and Recall to Service

A. In the case of reemployment of a Police Officer as a Returning Veteran, notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to Qualified Military Service will be provided in accordance with Code Section 414(u). The Plan Administrator shall establish such rules and procedures as it deems necessary or desirable to implement the provisions of this Section, consistent with the Uniformed Services Employment and Reemployment Rights Act of 1984.

B. Notwithstanding any provision of the Plan to the contrary, in the case of a Police Officer who dies while performing Qualifying Military Service on or after January 1, 2007, the Beneficiaries of the Police Officer are entitled to any additional benefits (other than benefit

accruals relating to the period of Qualifying Military Service) provided under the Plan had the Police Officer resumed and then terminated employment on account of death. This provision shall be applied in accordance with guidance issued by the U.S. Treasury Department under Code Section 401(a)(37).

C. Provided that any Police Officer is not eligible to receive retirement benefits under a retirement system administered by a governmental unit other than the Township, as a result of any military service, any Police Officer, upon completing five (5) years of service with the Township, may purchase a year of Credited Service for each year of military service prior to employment with the Township, of Credited Service, up to a maximum of five (5) years, upon payment in accordance with the provisions of 53 P.S. §770 or successor law applicable to the purchase of non-intervening military service credits.

D. A retired Police Officer may be temporarily recalled into service in case of riot, tumult, or the preservation of the public peace until unfit for such service when he or she may be finally discharged by reason of age or disability.

§ 45-12. Payment Limited to the Fund

Payments made under the provisions of this Ordinance shall not be a charge on any other fund in the treasury of the Township, or under its control, save the Upper Moreland Municipal Police Pension Fund herein provided for.

§ 45-13. Certifications

At least annually, any Beneficiary, or in the case of a Beneficiary who is a minor, the Guardian of a Beneficiary, shall be required to provide to the Plan Administrator, on a form provided by the Plan Administrator, a certification of continued eligibility for the payment of benefits under the Plan. Any Beneficiary who shall cease to be eligible for any benefits under the Plan shall inform the Plan Administrator of such fact and shall refund any payments received for any monthly period after the first full month following the occurrence of the event ending eligibility for any benefits under the Plan.

§ 45-14. No Social Security Offsets

Effective with respect to any Police Officer with a pension commencement date on or after January 1, 2003, no offset shall be made to any form of a pension benefit herein provided for the amount paid or payable by reason of Social Security Retirement benefits, or any successor program.

§ 45-15. Cost of Living Adjustment

A. Beginning with the payment in February of the fourth year (as defined in Subsection C below) following commencement of the payment of benefits, the recipient of a pension benefit hereunder with respect to a Police Officer whose commencement of employment as a full-time Police Officer was before January 1, 2012 shall have the monthly pension benefit increased by a Cost of Living Adjustment ("COLA") equal to the annual percentage increase in the CPI-U for the preceding year, provided, however that the maximum COLA in any single year shall not exceed

six percent (6%) and further provided that maximum COLA adjustments shall be as described in Subsection D below.

B. Any decrease in the CPI-U shall not result in a decrease in pension benefits in effect prior to such decrease.

C. As used in this Section, the fourth year following the commencement of benefits shall mean:

(1) In the case of a Police Officer retiring or a Beneficiary becoming entitled to the payment of benefits between January 1 and June 30 of any year, February in the fourth calendar year following such event; and

(2) In the case of a Police Officer retiring or a Beneficiary becoming entitled to the payment of benefits between July 1 and December 31 of any year, February in the fifth calendar year following such event.

D. Subject to the following sentence, the maximum COLA adjustment to each monthly pension benefit shall occur when the monthly pension is equal to seventy-five percent (75%) of the "Final Average Monthly Compensation" that was used in computing the Police Officer's basic monthly retirement benefit [exclusive of any Service Increment]. In the event the applicable pension benefit is less than forty-five percent (45%) of the Police Officer's "Final Average Monthly Compensation", the maximum increase in the monthly pension benefit by reason of the cumulative COLA will be thirty percent (30%) of the "Final Average Monthly Compensation" that was used in order to calculate the Police Officer's basic monthly pension amount.

E. The Trustees of the Fund shall not be required to pay any COLA which would impair the actuarial soundness of the Fund and such COLA shall apply prospectively only. No retroactive payments shall be made.

§ 45-16. Service Increment

Police Officers who have rendered more than twenty-five (25) years of Credited Service shall receive a length of service increment (the "Service Increment") of fifty (\$50.00) dollars per month for each year of Credited Service in excess of twenty-five (25) years, up to a maximum Service Increment of one hundred (\$100.00) dollars per month.

§ 45-17. Actuary

The Township may employ an actuary at a rate of compensation to be determined from time to time by the Board of Commissioners. In addition to such other duties as the actuary may be requested to perform, the actuary shall determine the amount which shall be contributed annually to the Fund for the service of Police Officers subsequent to the establishment of the Plan.

§ 45-18. Contributions into the Fund

A. Police Officers shall pay into the Trust Fund an amount equal to five percent (5%) of their compensation. The remainder of the needed annual contributions, as determined by the

actuary, shall become the obligation of the Township and shall be paid by it to the Fund by annual appropriations.

B. In the event that an actuarial study shows that the condition of the Fund is such that payments into the Fund by Police Officers may be reduced below the amount required by Subsection 45-18(A) hereof, or eliminated and that, if such payments are reduced or eliminated, contributions by the Township will not be required to keep the Fund actuarially sound, the Board of Commissioners, on an annual basis, by ordinance or resolution, may reduce or eliminate payments into the Fund by Police Officers.

C. The Township agrees that it will equitably allocate the funds received from the Commonwealth representing what are known as Foreign Casualty Insurance Premium Tax funds, under and pursuant to the Municipal Pension Plan Funding Standards and Recovery Act, Act 205 of December 18, 1984, P.L. 1005, § 101 et seq., as amended 53 P.S. § 895.102 et seq., so as to have all funds received by the Township, and allocated to it pursuant to credits allowed for its Police Officers first deposited to the Police Pension Plan so as to maintain the actuarial soundness of the Plan for each calendar year.

D. Effective with respect to contributions required to be made by Police Officers on and after January 1, 2016 to fund their benefits under the Plan, such contributions shall be deemed picked up and contributed to the Plan by the Township in order to be treated as employer contributions for the sole purpose of determining tax treatment under Section 414(h)(2) of the Code. The amount of such contributions shall reduce the cash compensation payable to each Police Officer, and no Police Officer shall be permitted to choose between having such contributions made on his or her behalf by the Township or receiving such amounts directly as additional cash compensation.

§ 45-19. Payment by the State Treasurer

A. Payments by the State Treasurer to the Township Treasurer from the monies received from taxes paid upon premiums by foreign casualty insurance companies for purposes of pension retirement or disability benefits for policemen shall be used as follows:

1. To reduce the unfunded liability or, after such liability has been funded;
2. To apply against the annual obligation of the Township for future service cost to or to the extent that the payment may be in excess of such obligation;
3. To reduce the contributions of Police Officers;
4. Any other monies paid into the Fund shall be applied equally to reduce the contributions of Police Officers and Township portions of the future service cost.

§ 45-20. Refunds

A. Any Police Officer who, for any reason, shall discontinue employment with the Township and who, for any reason, shall be ineligible to receive a pension hereunder, after having contributed to the Police Pension Fund under this Ordinance, shall be entitled, immediately upon discontinuance of employment as a Police Officer to a refund of all such contributions paid by into the said Fund, together with 5.5% interest on such contributions compounded annually from the

date of the Police Officer's termination of employment as a Police Officer. Such interest shall be calculated with regard to the Police Officer's contribution in such a manner so as to disregard fractional Pension Plan years during which the Police Officer's contributions may have been held in the Plan.

B. If the discontinuance of service is due to death, and there is any excess of contributions made by the deceased Police Officer over any death benefits that had been paid to any surviving Spouse or Children of the Police Officer, such excess contributions shall be refunded, together with 5.5% interest on such excess contributions compounded annually from the Plan Year of the Police Officer's death, to a person designated in a writing on file with the Plan Administrator as the beneficiary, or in the absence of such designated beneficiary to the estate of the Police Officer.

C. The refund of contributions paid into the said Fund under this Section 45-20 shall not be subject to attachment or other legal process and shall be payable only to the Police Officer, a duly designated beneficiary, or, in the absence of such designated beneficiary, the estate of such Police Officer and shall not be subject to transfer or assignment.

§ 45-21. Immunity from Attachment

The pension benefits herein provided shall not be subject to attachment or other legal process and shall be payable only to an eligible Beneficiary and shall not be subject to transfer or assignment.

§ 45-22. Eligibility for More than One Pension Benefit

In the event a Police Officer or eligible participant qualifies for more than one (1) form of pension benefit under this Ordinance, he or she will be entitled to elect and be paid the form of pension benefit that would be payable to him or her; provided that only one form of pension benefit shall be paid to any Beneficiary.

§ 45-23. Expenses

The expenses of administration and management of the Fund, including the compensation of the actuary and the Trustees of the Fund, may be paid by the Trustees from the Fund and to the extent not so payable shall be paid by the Township of Upper Moreland.

§ 45-24. Vesting

A. Except as is herein provided in Subsection B below, should a Police Officer terminate his or her employment with the Township, or otherwise ceases to be a Police Officer of the Township as defined herein, whether by reason of his or her transfer to another employment position not as a Police Officer, or to another employer or law enforcement agency, or by resignation, discharge, firing or for any reason whatsoever prior to vesting in the Police Pension Plan, as is hereinafter provided, and unless an authorized leave of absence is duly approved by the Board of Commissioners, that Police Officer will have caused a break in service and will be entitled to a refund of all contributions made by him or her, then on deposit in the Police Pension Plan, as provided in Section 45-20.

B. A Police Officer who has been employed by the Township and has completed twelve (12) years of Credited Service as a full time Police Officer with the Township shall be vested in his or her Police Pension Plan Benefit. Should a Police Officer terminate his or her employment with the Township, or should he or she cease to be a Police Officer of the Township as defined herein, whether by reason of his or her transfer to another employment position other than as a Police Officer, or to any other employer or law enforcement agency, or by reason of his or her voluntary or involuntary resignation, termination, discharge, removal, furlough or for any reason whatsoever following the completion of twelve (12) years of Credited Service and after having achieved vesting hereunder but before attaining Normal Retirement Age and before completing the years of Credited Service necessary for a Normal Retirement Pension Benefit as provided in Section 45-4, or otherwise before being eligible for a "Service-Related Disability" pension benefit as provided in Section 45-6, that Police Officer may not withdraw his or her Police Pension Plan contributions or the interest accrued thereon without the express written consent of the Board of Commissioners.

C. However, should the Police Officer be subject to the forfeiture of benefits as is set forth in the Public Employee Pension Forfeiture Act, 43 Pa. C.S.A. Section 1311, notwithstanding vesting and the Credited Service rendered, the Police Officer will forfeit all Police Pension Plan benefits and will be repaid his or her Police Pension Plan contributions without interest and he or she will not be eligible for any Pension benefit as it will be deemed as though he or she had not vested hereunder.

D. The Police Officer who completes twelve (12) years of Credited Service as a full-time Police Officer with the Township and who does not withdraw his or her Police Pension Plan contributions will be vested hereunder and unless he or she is eligible for a Normal Retirement Benefit, or Service-Related Disability Pension benefit, that Police Officer will be eligible to receive the Pro Rata Pension Benefit provided in Section 45-8 upon his or her attaining the Normal Retirement Age, or upon his or her separation from service and retirement from active service with the Department of Police, whichever event last occurs.

§ 45-25. Federal Tax Law Requirements

The Plan is intended to be tax-qualified under the applicable provisions of Section 401(a) of the Internal Revenue Code, as amended, and shall be construed and applied in a manner consistent with such intent, accordingly notwithstanding any contrary provisions of this Article, the following provisions shall apply to the Plan.

A. Distribution of Benefits:

1. A Plan Member's benefits must commence to be paid not later than April 1st of the calendar year following the later of: (1) the calendar year in which the Plan Member attains age 70½, or (2) the calendar year in which the Plan Member retires. Such distributions must equal or exceed the required minimum distribution, and otherwise be made in a manner consistent with the requirements of Code Section 401(a)(9) and the Regulations thereunder.

2. Required distributions must be made over the lifetime or the life expectancy of the Plan Member or the joint life times or joint life expectancy of the Plan Member and the Plan Member's designated beneficiary.

3. All benefit distributions to a Plan Member or the Plan Member's beneficiary shall be in accordance with the incidental death benefit requirements of Code Section 401(a)(9)(G) and the related Regulations.

B. Compensation and Benefit Limitations: The limitations and other requirements outlined below are intended to comply with Code Section 415 and the Regulations thereunder, the terms of which are specifically incorporated herein by reference. The maximum compensation limit and benefits limitations under the Code are as follows:

1. The compensation used in calculating a Plan Member's benefit cannot exceed the limits of Code Section 401(a)(17), as adjusted for cost of living increases, per Code Section 415(d).

2. General Rule: In no event shall the annual retirement benefit payable to a Plan Member under this Plan, together with retirement benefits provided under all qualified benefit plans maintained or previously maintained by the Township, for any "limitation year", which shall be the calendar year, exceed the maximum benefit permitted, as adjusted annually per Code Section 415(d), under Code Section 415(b) (including any applicable grand-fathering rules). This Plan Section shall be applied in accordance with Code Section 415 and the Regulations thereunder.

3. Special Limitation for Qualified Police or Firefighters: For any Plan Member who is a "qualified participant" as defined under Code Section 415(b)(2)(H), the limitation under Code Section 415(b)(2)(C) shall not be reduced to an amount less than \$50,000 (as adjusted per Code Section 415(d)) as required by Code Section 415(b)(2)(G).

4. Order of Defined Benefit Plan Reductions: If the Plan Member participates or participated in any other defined benefit plan of the Township, and the Plan Member's aggregate annual retirement benefit under this Plan and such other Plan exceeds the limits permitted under Code Section 415, such Plan Member's benefit shall be first reduced under this Plan.

C. Vesting:

1. Notwithstanding the Plan's vesting schedule, upon any amendment or restatement of the Plan, a Plan Member's vested accrued benefit shall not be less than the vested accrued benefit immediately preceding such amendment or restatement.

2. Notwithstanding the Plan's vesting schedule a Plan Member shall be 100% vested when the Plan Member completes the age and service requirements for normal retirement at his normal retirement date under the Plan.

3. Notwithstanding the Plan's vesting schedule a Plan Member shall be 100% vested in his accrued benefit (to the extent funded) as of the date of partial or complete Plan termination.

D. Qualified Domestic Relations Order

Notwithstanding the provisions of Section 45-21, the Plan shall recognize any domestic relations order which is determined by the Township to be a Qualified Domestic Relations Order ("QDRO") within the meaning of Code Section 414(p) with respect to a Plan benefit due to a living Plan Member. The Plan shall not recognize as a QDRO any domestic relations order that assigns

any portion of a survivor benefit with respect to a deceased Plan Member. To the extent applicable in accordance with this Subsection D, any Plan Member's benefits, rights or elections shall be subject to any rights afforded to the alternate payee by a QDRO. Further, a distribution to an alternate payee is permitted if authorized by a QDRO, even if the Plan Member involved has not separated from service and has not reached the earliest retirement age under the Plan.

E. Alienation

Except for a QDRO as permitted in Subsection D above, no Plan Member or beneficiary shall have the power to subject any benefit or benefits under the Plan to any type of alienation, anticipation, assignment, charge, encumbrance, pledge, sale or transfer. Further, no benefits shall be subject to or liable for any debts, contracts, engagements, liabilities or torts. The only exceptions to this paragraph are those in Subsection D above and those referenced in Code Sections 401(a)(13)(C) and (D).

F. Plan Member or Beneficiary Who Cannot Be Located

If any portion of a Plan benefit is payable to a Plan Member or beneficiary at the later of the Plan Member's 62nd birthday or normal retirement age and such benefit remains unpaid solely by reason that the Township, after sending a registered letter, return receipt requested, to the last known address of such Plan Member and after the exercise of due diligence, cannot locate the Plan Member or beneficiary, the actuarial value of the benefit shall be forfeited and applied towards reducing Plan costs. If, subsequent to the forfeiture, such Plan Member or beneficiary is located, the actuarial value of the forfeiture at the time it was forfeited (no adjustments for gains or losses) shall be restored.

G. Forfeitures

Forfeitures shall not be applied to increase the benefits any Plan Member would otherwise receive under the Plan.

H. Actuarial Assumptions

As required by Code Section 401(a)(25), the actuarial assumptions used to calculate benefits under the Plan shall not be subject to the Township's discretion.

I. Optional Direct Transfer of Eligible Rollover Distributions

1. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this section, a Distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.

2. For the purposes of this Section, the following definitions shall apply:

(i) "Eligible Rollover Distribution" means any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the

joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for any specified period of ten years or more; and any distribution to the extent that such distribution is required under Section 45-25.A hereof and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); provided, that a portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be paid only to an individual retirement account described in Code Section 408(a) or an individual retirement annuity described in Code Section 408(b), or to a qualified defined contribution plan described in Code Section 401(a) or Code Section 403(a) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(ii) "Eligible Retirement Plan" means: (1) an individual retirement account described in Code Section 408 (a), (2) an individual retirement annuity described in Code Section 408(b), (3) an annuity plan described in Code Section 403(a), (4) an annuity contract described in Code Section 403(b), (5) a qualified retirement plan described in Code Section 401(a), or (6) an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state; provided that such plan or annuity accepts the Distributee's Eligible Rollover Distribution. Effective January 1, 2010, an Eligible Retirement Plan shall also include a Roth individual retirement plan described in Code Section 408A(b). Notwithstanding the foregoing, in the case of an Eligible Rollover Distribution to a distributee who is a non-Spouse Beneficiary, an Eligible Retirement Plan is limited to an individual retirement account, an individual retirement annuity, or a Roth individual retirement account that is established on behalf of such beneficiary and is treated as an inherited IRA pursuant to Code Section 402(c)(11).

(iii) "Distributee" includes a Police Officer or former Police Officer. In addition, the Police Officer's or former Police Officer's surviving Spouse or non-Spouse Beneficiary are Distributees with regard to the interest of the Spouse, former Spouse or non-Spouse Beneficiary.

(iv) "Direct Rollover" means a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

§ 45-26. Disputes

Any dispute or controversy by a Police Officer concerning his or her pension benefit, any claim or eligibility for benefits or concerning the Police Officer's pension contribution rate will be submitted for resolution under and pursuant to the grievance and arbitration procedure. However, it is agreed that the time constraints for the filing and processing of any grievance set forth in the grievance and arbitration procedure are waived.

§ 45-27. Governing Law.

Except to the extent superseded by federal law, all questions pertaining to the validity, construction, and operation of the Plan shall be determined in accordance with the laws of the Commonwealth of Pennsylvania.

§ 45-28. Incapacity.

If the Plan Administrator deems any Beneficiary who is entitled to receive payments hereunder incapable of receiving or disbursing the same by reason of age, illness, infirmity, or incapacity of any kind, the Plan Administrator may direct the Trustees to apply such payments directly for the comfort, support, and maintenance of such Beneficiary, or to pay the same to any responsible person caring for the Beneficiary who is determined by the Administrator to be qualified to receive and disburse such payments for the Beneficiary's benefit; and the receipt of such person shall be a complete acquittance for the payment of the benefit. Payments pursuant to this Section shall be complete discharge to the extent thereof of any and all liability of the Township, the Plan Administrator, the Trustees, and the Fund.

§ 45-29. Withholding.

The Plan Administrator and the Trustees shall have the right to withhold any and all state, local, and Federal taxes which may be withheld in accordance with applicable law.

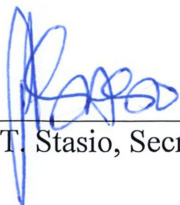
SECTION 3. Severability. In the event that any section, sentence, clause, phrase or work of this Ordinance shall be declared illegal or unconstitutional by any court of competent jurisdiction, such declaration shall not prevent, preclude, or otherwise foreclose enforcement of any of the remaining portions of this Ordinance.

SECTION 4. Repealer. All ordinances or parts of ordinances inconsistent herewith or in conflict with any of the specific terms enacted hereby, to the extent of said inconsistencies or conflicts, are hereby specifically repealed.


ENACTED and ORDAINED this 9th day of September, 2024.

ATTEST:

UPPER MORELAND TOWNSHIP
BOARD OF COMMISSIONERS



Patrick T. Stasio, Secretary



Clifton McFatridge, President