

BILL NO. 8 of 2023

ORDINANCE NO. 1973

Motion made by Councilman Westcott, seconded by Councilman Pintola, and carried unanimously to approve the **Final Reading of ORDINANCE 1973 BILL NO. 8 of 2023, AN ORDINANCE OF THE CITY OF WASHINGTON RELATIVE TO THE ESTABLISHMENT AND MAINTENANCE OF THE CITY'S EMPLOYEE PENSION, ANNUITY, INSURANCE AND BENEFIT FUND OR FUNDS TO AMEND CERTAIN PROVISIONS OF THE FUND RELATIVE TO THE FULL-TIME POLICE OFFICERS AND THE DEFERRED LIMITED VESTED BENEFIT PER THE THIRD CLASS CITY CODE.**

WHEREAS, City Council for the City of Washington deems that it is in the best interest of the citizens and residents of the City of Washington to approve **ORDINANCE NO. 1973 BILL NO. 8 of 2023**.

This Ordinance shall become effective upon FINAL PASSAGE and shall be applicable for the year 2023.

FIRST READING: 9-14-23

FINAL READING: 10-5-23

CITY OF WASHINGTON, PENNSYLVANIA

BY:



Scott J. Putnam, Mayor

ATTEST:



Michelle R. Sperl, City Clerk



CITY OF WASHINGTON

ORDINANCE NO. 1973 BILL NO. 8 of 2023

AN ORDINANCE OF THE CITY OF WASHINGTON RELATIVE TO THE ESTABLISHMENT AND MAINTENANCE OF CITY EMPLOYEES PENSION, ANNUITY, INSURANCE AND BENEFIT FUND OR FUNDS, TO AMEND CERTAIN PROVISIONS OF THE PENSION PLAN ESTABLISHED FOR THE BENEFIT OF THE CITY'S FULL-TIME POLICE OFFICERS TO INCORPORATE A DEFERRED LIMITED VESTED BENEFIT IN ACCORDANCE WITH THE THIRD-CLASS CITY CODE.

WHEREAS, the City of Washington, Washington County, Pennsylvania established the City of Washington Police Pension Plan effective February 19, 1936, pursuant to Ordinance No. 324 and the provisions of the Third-Class City Code, Pub. Law 923, as amended (the "Plan" or "Pension Plan") for the benefit of the City's police officers and their beneficiaries.

WHEREAS, the Plan has been amended thereafter from time to time pursuant to various Ordinances, and was last amended and restated in full on March 10, 2016 by the adoption of Ordinance No. 1878;

WHEREAS, the City retained the right to amend the Pension Plan;

WHEREAS, the City of Washington and the Fraternal Order of Police Lodge No. 95 as the bargaining representative of the City's full-time police officers entered into a collective bargaining agreement in May of 2019, setting forth the terms and conditions of employment for the City's full-time police officers for the period of January 1, 2019 through December 31, 2023 which, *inter alia*, provided for the establishment of a deferred limited vested pension benefit;

WHEREAS, the City and the Fraternal Order of Police Lodge No. 95 subsequently entered into a Memorandum of Understanding in December of 2021 which further defined the manner in which the limited vested pension benefit was to be implemented and administered; and

WHEREAS, the City of Washington is amending the police officers' pension plan so as to incorporate this deferred limited vested benefit in accordance with the Third Class City Code pursuant to the agreements of the City and the bargaining representative of the City's full-time police officers, as well as the other changes to benefits and eligibility as reflected in the parties' collective bargaining agreement.

BE IT ORDAINED AND ADOPTED by the Council of the City of Washington and it is hereby ORDAINED AND ADOPTED by authority of the same:

Effective immediately, the Pension Plan shall be amended as follows:

Section 1:

Article I, Definitions, Section 1.22 is amended to provide as follows:

- 1.22 “Normal Retirement Age” shall mean the date on which the Participant has attained age fifty (50) and completed twenty (20) years of Aggregate Service with the Employer.

In addition, Article I, Definitions is amended to include a new Section 1.29, with existing Sections 1.29, 1.30, and 1.31 renumbered as Sections 1.30, 1.31, and 1.32 respectively, providing as follows:

- 1.29 “Rate of Monthly Pay” shall mean the monthly Compensation of the Participant averaged over the twelve (12) months immediately preceding the date of determination.

Section 2:

Article IV, Retirement Benefits, Section 4.02 is amended to provide as follows:

- 4.02 Normal Retirement Benefit – Each Participant who shall become entitled to a benefit pursuant to section 4.01 shall receive a benefit paid monthly in an amount equal to fifty percent (50%) of the Participant’s Final Monthly Average Salary as determined herein. No applicant for a Normal Retirement Benefit shall be received or considered unless it shall first affirmatively appear that the applicant has received an honorable discharge from the City. The Normal Retirement Benefit of any Participant hired after January 1, 2019 shall be capped at sixty-five percent (65%) of base pay plus any additional earnings.

Article IV, Retirement Benefits, Section 4.07 is amended to revise the last sentence of subsection (b) as follows:

- (b) Provided, however, that notwithstanding the preceding sentence, if the designated Beneficiary is the surviving spouse of the Participant, then the date on which distributions are required to begin shall not be earlier than the date upon which the Employee would have attained age seventy-two (72) and, further provided, if the surviving spouse dies before the distributions to such spouse begin, this subparagraph shall be applied as if the surviving spouse were the Employee.

In addition, Article IV, Retirement Benefits, Section 4.07(c)(1) is amended to provide as follows:

- (1) "Required Beginning Date" shall mean April 1 of the calendar year following the later of the calendar year in which the employee attains age seventy-two (72), or the calendar year in which the Employee retires.

Section 3:

Article VII, Termination of Employment is amended to include new Section 7.04, providing as follows:

7.04 Limited Vested Benefit

(a) In lieu of a distribution of Accumulated Contributions pursuant to Section 7.02, a Participant whose Employment terminates on or after January 1, 2019 for any reason other than death or Total and Permanent Disability prior to attainment of Normal Retirement Age but after completing at least twelve (12) years of continuous service shall be entitled to vest the Participant's retirement benefits subject to the following conditions:

- (1) The Participant must file with the Plan Administrator a written Notice of the Participant's intention to vest.
- (2) The Participant must include in the Notice the date the Participant intends to terminate the Participant's Employment, and must include an irrevocable letter of resignation effective on the selected termination date.
- (3) The termination date shall be at least thirty (30) days, but no later than sixty (60) days, following the date of the Notice to vest.
- (4) The Participant must be in good standing with the police department on the date of the Notice to vest.
- (5) The Plan Administrator shall indicate on the Notice to vest the Rate of Monthly Pay of the Participant as of the date of the notice to vest or the highest average annual salary which the member received during any five (5) years of service preceding that date, whichever is higher.

(b) Upon reaching the date that would have been the date that the Participant reached Normal Retirement Age if the Participant

had continued in the full-time Employment of the City, the Participant shall notify the Plan Administrator, in writing, that the Participant desires to collect his or her pension.

(c) The amount of retirement benefits the Participant is entitled to receive under this Section shall be computed as follows:

(1) The initial determination of the Participant's base retirement benefits shall be computed on the salary indicated on the Notice to vest pursuant to section 7.04(a)(5) above.

(2) The portion of the base retirement benefits due to the Participant shall be determined by applying to the base amount the percentage that the Participant's years of service, expressed in terms of completed months, rendered bears to the years of service, expressed in terms of completed months, that would have been rendered if the Participant continued to be Employed by the department until the Participant reached Normal Retirement Age.

ORDAINED AND ENACTED THIS 5TH DAY OF OCTOBER, 2023

ATTEST:

CITY OF WASHINGTON

Michelle R. Sperl
Michelle R. Sperl, CITY CLERK

By: Scott J. Putnam
Scott J. Putnam, Mayor

