

**CITY OF JEANNETTE
WESTMORELAND COUNTY, PENNSYLVANIA**

**FIRST AMENDMENT TO THE CITY OF JEANNETTE POLICE PENSION
PLAN (as amended and restated, effective January 1, 2000)**

BILL NO. 06-01

ORDINANCE NO. 06-01

**AN ORDINANCE OF THE CITY OF JEANNETTE 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 OR PROGRAM
APPLICABLE TO THE POLICE EMPLOYEES OF SAID CITY.**

WHEREAS, the City of Jeannette (the "City") previously enacted Ordinance No. 59-22, effective December 27, 1959, establishing the City of Jeannette Police Pension Plan (the "Plan"); and

WHEREAS, the Plan was totally amended and restated effective January 1, 2000; and

WHEREAS, Article VI of the January 1, 2000, restated document requires corrections to the description of the Survivor Benefits which are provided for under Ordinance No. 59-22; and

WHEREAS, the City reserved the right to amend the Plan pursuant to section 11.01; and

WHEREAS, the City now desires the plan to be further amended to comply with certain Internal Revenue Code regulations;

BE IT ORDAINED AND ENACTED BY THE MAYOR AND THE CITY COUNCIL AND IT IS HEREBY ORDAINED ENACTED by authority of same that the City of Jeannette Police Pension Plan shall be amended as follows:

New section 4.10 shall be added to the Plan as follows:

4.10 Direct Rollovers

This Section applies to distributions made on or after December 31, 2001. 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 that is equal to at least \$500 paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

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

(1) “Eligible Rollover Distribution” is 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 a specified period of ten years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); 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).

For purposes of the direct rollover provisions in this Section of the Plan, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions that are not includible in gross income. However, such portion may be paid only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code 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.

(2) “Eligible Retirement Plan” is a qualified trust described in Code Section 401(a), an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a), an annuity contract described in Code Section 403(b), an eligible plan under Section 457(b) of the Code 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 and which agrees to separately account for amounts transferred into such plan from this plan.

(3) “Distributee” includes an Employee or former Employee. In addition, the Employee’s or former Employee’s surviving spouse and the Employee’s or former Employee’s spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), are distributees with regard to the interest of the spouse or former spouse.

(4) “Direct Rollover” is a payment by the Plan to the eligible retirement plan specified by the distributee.

Sections 4.09, 6.02, 6.03, and 6.04 are amended in their entirety by deleting said sections and substituting new sections 4.09, 6.02, 6.03 and 6.04 as follows:

4.09 Maximum Benefit Limitations – Notwithstanding any provision of this Plan to the contrary, no benefit provided under this Plan attributable to contributions of the Employer shall exceed, as an annual amount, the amount specified in Code Section 415(b) (1) (A) as adjusted pursuant to Code Section 415(d), assuming the form of benefit shall be a straight life annuity (with no ancillary benefits). The limitations described in this Section 4.08 shall be governed by the following conditions and definitions:

(a) benefits paid or payable in a form other than a straight life annuity (with no ancillary benefits) or where the Employee contributes to the Plan or makes rollover contributions shall be adjusted on an actuarially equivalent basis to determine the limitation contained herein;

(b) in the case of a benefit which commences prior to the attainment of age sixty-two (62) by the Participant, the limitation herein shall be adjusted on an actuarially equivalent basis to the amount determined pursuant to this Section commencing at age sixty-two (62); however, in the case of a qualified Participant (a Participant with respect to whom a period of at least fifteen (15) years of service, including applicable military service, as a full-time employee of a police or fire department is taken into account in determining the amount of benefit), the limitation contained in this subsection 4.08(b) shall not apply;

(c) in the case of a benefit which commences after attainment of age sixty-five (65) by the participant, the limitation herein shall be adjusted on an actuarially equivalent basis to the amount determined herein commencing at age sixty-five (65);

(d) benefits paid to a Participant which total less than ten thousand dollars (\$10,000.00 from all defined benefit plans maintained by the Employer expressed as an annual benefit shall be deemed not to exceed the limitation of this Section provided that the Employer has not at any time maintained a defined contribution plan in which the Participant has participated;

(e) in the case of a Participant with fewer than then (10) years of service or participation, the limitation expressed in this section 4.08 shall be reduced by one-tenth (1/10) for each year of participation less than ten (10) with respect to Code section 415(b)(1)(A) or each year of service less than ten (10) years in the case of the limitation in subsection (d); but in no event shall this limitation be less than one-tenth (1/10) of the applicable limit;

(f) the limitations expressed herein shall be based upon Plan Years for calculation purposes, shall be applied to all defined benefit plans maintained by the Employer as one (1) defined benefit plan and to all defined contribution plans maintained by the Employer as one (1) defined contribution plan, and shall be applied and interpreted consistent with Code Section 415 and regulations thereunder as applicable to government plans in general and this Plan in particular; and

(g) in the case of a Survivor Benefit under Section 6.02 or 6.03, or a Disability Retirement Benefit under Section 5.02, the adjustment under subsections (b) and (e) hereof shall not apply and the applicable limitation shall be the limitation contained herein without regard to the age or years of service or participation of the benefit recipient.

Notwithstanding anything contained in this section to the contrary, the limitations, adjustments, and other requirements prescribed in this section shall at all times comply with the provisions of Code Section 415 and the Regulations thereunder (as such apply to governmental plans), the terms of which are specifically incorporated herein by reference.

6.02 Survivor Benefit - Upon the death of a Participant the following survivor benefits shall apply:

(a) If a Participant dies after normal or disability retirement, the Participant's surviving spouse shall be entitled to receive a monthly Survivor Benefit equal to one hundred percent (100%) of Participant's monthly pension, payable pursuant to section 6.03.

Only a spouse, who was legally married to the Participant prior to the date of the Participant's retirement and still married to the Participant at the time of death, shall be entitled to such Survivor Benefit.

(b) If a Participant who is an active Employee dies prior to retirement, the Participant's spouse shall be entitled to receive a monthly Survivor Benefit equal to fifty percent (50%) of the Participant's Compensation averaged over the sixty (60) months of Employment preceding the date of death, payable pursuant to section 6.03.

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6.03 Payment of Survivor Benefits – The Survivor Benefit commences as of the first day of the month coincident with or immediately following the date of death of the Participant. The Survivor Benefit shall be paid monthly to the surviving spouse of the Participant, if any, until the date of death of the surviving spouse. Upon the death of the surviving spouse, or if there is no surviving spouse, the Survivor Benefit shall be paid monthly in equal shares to the surviving dependent children of the deceased Participant until attainment of age eighteen (18). The shares payable to the surviving dependent children shall be adjusted as each child ceases to be eligible to receive a share of the benefit hereunder.

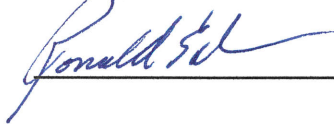
6.04 Refund of Participant Contributions – “If a Participant shall die without eligibility for payment of a Survivor Benefit under section 6.02, there shall be paid to the Beneficiary an amount equal to the difference between the amount of benefits paid, if any, and the amount of the Participant’s Accumulated Contributions. If the benefits paid equals or exceeds the amount of the Participant’s Accumulated Contributions, there shall be no additional amounts due or payable hereunder.

Section 1.35 shall be supplemented by adding the following paragraph to the end of said section:

Years of Credited Service shall include years of non-intervening military service purchased by the Participant as follows: a Participant who is making contributions and served in the Armed Forces of the United States following September 1, 1940, and who was no a Participant of the police Pension Fund prior to such military service, shall be entitled to have full credit for each year or fraction thereof, not to exceed five (5) years of such service upon his payment to the Pension Fund of an amount equal to that which he would have paid had he been a Participant during the period for which he desired credit and his payment to the Pension Fund of an additional amount as the equivalent of the contribution of the Employer on account of such military service.

ORDAINED AND ENACTED this 4th day of April, 2003.6

ATTEST:



CITY OF JEANNETTE


President of Council AND MAYOR

EXAMINED AND APPROVED this _____ day of _____, 2003.

ATTEST:

Mayor