

CITY OF JEANNETTE

WESTMORELAND COUNTY, PENNSYLVANIA

BILL NO. 10-01

ORDINANCE NO. 10-01

AN ORDINANCE OF THE CITY OF JEANNETTE, WESTMORELAND COUNTY, COMMONWEALTH OF PENNSYLVANIA, ELECTING TO CHANGE THE BENEFITS IT HAS IN THE PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM UNDER ARTICLE IV OF THE PENNSYLVANIA MUNICIPAL RETIREMENT LAW: AGREEING TO BE BOUND BY ALL PROVISIONS OF THE PENNSYLVANIA MUNICIPAL RETIREMENT LAW AS AMENDED AND AS APPLICABLE TO MEMBER MUNICIPALITIES CHANGING BENEFITS UNDER THE PROVISIONS OF THIS ARTICLE: AND STATING WHICH OF CERTAIN OPTIONS PERMITTED UNDER THE SAID LAW ARE ACCEPTED BY THE CITY

WHEREAS, the Council of the City of Jeannette entered into a Collective Bargaining Agreement with the International Brotherhood of Teamsters, Local Union No. 30 on March 2, 2009, establishing the terms and conditions of employment of the members of the City's Sanitation Department and Street Department from January 1, 2009 through December 31, 2012; and

WHEREAS, the Council of the City of Jeannette entered into a Collective Bargaining Agreement with the International Brotherhood of Teamsters, Local Union No. 30 on October 23, 2009, establishing the terms and conditions of employment of Administrative Assistants, Bookkeepers, Tax Collectors (Clerks) Rehab. Specialists and Parking Enforcement personnel from January 1, 2009 through December 31, 2012; and

WHEREAS, both Agreements are retroactive to January 1, 2009; and

WHEREAS, both Agreements contemplate the passage of an Ordinance by the Council of the City of Jeannette reducing the normal retirement age (also known as the age of "superannuation retirement") to age fifty-eight (58); and

WHEREAS, the City has advised the Plan Administrator, the PMRS of the reduction in the superannuation retirement age to age 58 and supplied an Agreement evidencing such reduction, a copy of such Agreement being attached hereto, made a part hereof and marked Exhibit "A"; and

WHEREAS, the City has had one non-uniformed employee retire at age 58 in anticipation of receipt of superannuation benefits at that time; and

WHEREAS, the Council of the City of Jeannette desires to follow through on its obligations under the aforesaid collective bargaining agreements and amend the non-uniformed employee's retirement Ordinance to reflect the reduction in superannuation retirement age to age 58 and ratify the terms of the Agreement previously submitted to PMRS referenced above.

NOW, THEREFORE, WITH THE FOREGOING RECITALS BEING INCORPORATED HEREIN BY REFERENCE THERETO, IT IS HEREBY ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF JEANNETTE WESTMORELAND COUNTY, AS FOLLOWS:

SECTION I. The City of Jeannette (the City), being a member municipality of the Pennsylvania Municipal Retirement System (the System), hereby elects to change its member benefits in that System as authorized by the Pennsylvania Municipal Retirement Law, as amended, and does hereby agree to be bound by all the requirements and provisions of said Article and the Law, as the case may be, and to assume all obligations, financial and otherwise, placed upon member municipalities by said Amendment, as the case may be. All references hereafter shall be based on benefits negotiated between the Pennsylvania Municipal Retirement Board (the Board) and the City under the provisions of Article IV of the Pennsylvania Municipal Retirement Law.

SECTION II. Membership in the System shall be mandatory for all full-time municipal employees of the City. Membership for elected officials is optional. The election by elected officials to join the System must be made within one year after the elected officials first enters the service of the City. Membership for part-time employees not currently members, employees hired on a temporary or seasonal basis, and individuals paid only on a fee basis are prohibited. Individual membership shall be effective as of the date the City entered into the System or upon the expiration of the individual's probationary status, whichever is more recent.

SECTION III. Credit for prior service for original members is granted for each year or partial year thereof that the member was employed by the City from original date of hire or the expiration of the member's probationary period if one so existed. Benefits provided to members in the Agreement dated April 1, 2009 and attached hereto as Exhibit "A" (the Agreement), shall accrue based on all credited service granted and earned in accordance with this section.

SECTION IV. Payment for any obligation established by the adoption of this Ordinance and the Agreement between the Board and the City shall be made by the City in accordance with the Pennsylvania Municipal Retirement Law and Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act.

SECTION V. As part of this Ordinance, the City agrees that the System shall provide the benefits set forth in the Agreement. The passage and adoption of this Ordinance by the City is an official acceptance of said Agreement and the financial obligations resulting from the administration of said benefit package. The City hereby assumes all liability for any unfundedness created or which may be created due to the acceptance of the benefit structure outlined in the above-referenced Agreement.

SECTION VI. The City intends this Ordinance to be the complete authorization of the City's municipal pension plan and it shall become effective and specifically repeal those portions of Ordinance Number 00-13 inconsistent therewith, either immediately or on April 1, 2009, which is the effective date of the Agreement.

SECTION VII. A duly certified copy of this Ordinance and the referenced Agreement shall be filed with the System of the Commonwealth of Pennsylvania. Membership for the municipal employees of the City in the System shall be effective the first day of January, 1991, with the revised plan structure

BILL NO. 10-01

ORDINANCE NO. 10-01


reflected in the Agreement effective the first day of April, 2009.

SECTION VIII. The Agreement executed by the Mayor of the City of Jeannette dated April 1, 2009 and previously submitted to the PMRS, a copy of which is attached hereto as Exhibit "A", is hereby ratified, approved and affirmed.

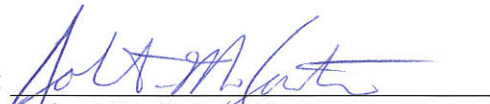
THIS ORDINANCE IS DULY ORDAINED AND ENACTED BY A MAJORITY OF THE MEMBER OF COUNCIL OF THE CITY OF JEANNETTE AT A DULY ADVERTISED PUBLIC MEETING HELD THE 10th DAY OF March, 2010.

ATTEST:

THE CITY OF JEANNETTE



Michael J. Minyon, Jr., City Clerk

By: 

Robert M. Carter, Mayor
And President of Council

JEANNETTE CITY
MUNICIPAL EMPLOYEE PENSION PLAN AGREEMENT

This Agreement, dated this _____ day of _____, 2009, by and between Jeannette City (the City) and the Pennsylvania Municipal Retirement Board (the Board);

WHEREAS, Article IV, Section 401 of the Act of February 1, 1974, No. 15, states:

“401. This article shall provide for the enrollment of those municipalities in the Pennsylvania Municipal Retirement System which want to offer retirement benefits to their employees . . .”; and,

WHEREAS, Article IV, Section 413 of the Act also provides:

“413. Procedures for Amending Contracts. Any municipality which has joined the System under this Article IV may, with the approval of the Board, amend the contract to increase any of the benefits enumerated in Article IV to its members. . .”; and,

WHEREAS, the City has enrolled its municipal employees in the Pennsylvania Municipal Retirement System (the System) and desires to amend its pension plan for the municipal employees:

NOW THEREFORE, the Board and the City hereby agree to the following retirement pension plan for the municipal employees:

1. Coverage: This plan shall cover all full-time municipal employees, hereinafter referred to as member, of the City. Membership for elected officials is optional. The election by elected officials to join the System shall be made within one (1) year after the elected official first enters the service of the City. Part-time employees not currently members, and employees hired on a temporary or seasonal basis is prohibited, as is membership for individuals paid only on a fee basis. Individual membership shall be effective as of the date the City entered into the System or upon the expiration of the individual’s probationary status, whichever is more recent.

Credited service shall accrue from the original member’s date of hire or the expiration of the member’s probationary period if one so existed. Credited service time earned prior to the enrollment of the City into the System shall be known as prior service.

No credited service time shall be granted for time employed in a status other than active employee of the City excluding credit for purchased military service, reinstatement of previous service or service earned and credited under Section 11, the portability section of this Agreement.

2. Superannuation Retirement: Eligibility for a superannuation retirement shall occur upon the member’s attainment of fifty-eight (58) years of age or older.

3. Basic Benefit: The basic annual benefit shall be equal to one and five-tenths percent (1.5%) of the member's final salary multiplied by all years of credited service.

4. Final Salary: The final salary shall be the average annual compensation earned and paid during the member's final three (3) consecutive years of employment, or if not so long employed, then the average annual compensation earned and paid during the whole period of such employment.

5. Early Retirement: A member who has been involuntarily terminated after eight (8) years of credited service or who has separated voluntarily after twenty (20) years of credited service may retire early. Benefits will be actuarially reduced for each year or partial year thereof that early retirement takes place prior to age fifty-eight (58).

6. Permanent Disability Benefits: A member who has ten (10) or more years of credited service may, upon application or on application of one acting in the member's behalf, or upon application of a responsible official of the City, be retired by the Pennsylvania Municipal Retirement Board on a disability allowance if the physician designated by the Board, after medical examination of the member shall certify to the Board that the individual is unable to engage in any gainful employment and that said member ought to be retired. When the disability of a member is determined to be service-connected, as defined in Act 15 of 1974, no minimum period of service shall be required for eligibility.

A disability annuity shall be payable from the total disability reserve account which, together with the municipal annuity and the member's annuity, if any, shall be sufficient to produce a retirement allowance of thirty percent (30%) of the member's final salary. Where the disability of the member is determined to be service-connected, the disability allowance shall equal fifty percent (50%) of the member's final salary. The disability annuity shall be reduced by the amount of any payments for which the member shall be eligible under the Act of June 2, 1915 (P.L. 736, No. 338), known as "The Pennsylvania Workmen's Compensation Act" or the Act of June 21, 1939 (P.L. 566, No. 284), known as "The Pennsylvania Occupational Disease Act."

Any member with eight (8) or more years of credited service entitled to retire for disability may, in lieu of such retirement, elect to retire not voluntarily under the provisions of Section 5.

Should a disability annuitant die before the total disability retirement allowance received equals the amount of the member's accumulated deductions at the time of disability retirement, the Board shall pay to the named beneficiary (if living, or if the named beneficiary predeceased the annuitant, or no beneficiary was named, then the annuitant's estate) an amount equal to the difference between such total retirement allowance received and the annuitant's accumulated deductions. If such difference is less than one hundred dollars (\$100) and no letters have been taken out on the estate within six (6) months after the disability annuitant's death, such difference may be paid to the undertaker or to any person or municipality who or which shall have paid the claim of the undertaker.

7. Death Benefit: A member who is entitled to a superannuation retirement allowance because of meeting the superannuation retirement requirements found in Section 2 of this Agreement or a member who is entitled to a voluntary early retirement allowance because of completing twenty (20) years of credited service may file a written application for retirement requesting that such retirement become effective at the time of death. The application must be filed with the Board on form PMRB-8.

When applying for retirement, the member may elect one of the options provided in Section 12 and nominate a beneficiary. The application shall be held by the Board until (1) the member files a later application (PMRB-8) for a retirement allowance or (2) the death of the member while in municipal service.

If a member is entitled to a retirement allowance and dies while in municipal service, benefits become effective as if the member had retired on the day immediately preceding death. The beneficiary receives the annuity option elected before the member's death. If an option was not filed with the Board, it shall be considered that the member elected Option 1 as provided in Section 12 of this Agreement. In such event, payment under Option 1 shall be made to the beneficiary designated in the nomination of beneficiary form (PMRB-2) on file with the Board.

8. Military Service: Any member employed by the City who enters the uniformed services as defined by the 1994 Uniformed Services Employment and Re-Employment Rights Act (P.L. 103-353) and returns to the City to again be a member of the plan within the authorized time period of the law, shall have the authorized time spent in such service credited to the member's employment record for pension or retirement benefits if the individual makes the required employee contributions.

An active member may also purchase credit for other than intervening military service performed for the United States in times of war, armed conflict or national emergency, so proclaimed by the President of the United States, for a period not to exceed five (5) years, provided the member has completed five (5) years of service to the City subsequent to such military service. An active member may file an application with the Board for permission to purchase credit for nonintervening military service upon completion of five (5) years of subsequent service to the City.

The amount due from the member shall be certified by the Board in accordance with methods approved by the actuary. It may be paid in a lump sum within thirty (30) days or it may be amortized with additional interest through salary deductions in amounts agreed upon by the member and the Board.

The rate of interest to be charged to a member on purchase of credit for nonintervening military service shall be the rate being credited by the System to members' accounts in effect on the date of the member's application, compounded annually.

A member may purchase credit for intervening or nonintervening military service only if discharge or separation from the service was granted under other than dishonorable conditions. A member may not purchase military credit for any service that is covered by another retirement system administered and wholly or partially paid for by any other government agency or private employer.

9. Contributions by Members: Members shall contribute five percent (5%) of their total compensation. Payment shall be made by payroll deductions and transmitted to the System by the City in accordance with established System procedures. Member contributions will be treated as taxed at the time they are made to the System, will be tracked separately, and will not be treated as taxable when paid out to the member. If sufficient funds exist, the City may annually elect to lower or waive the required member contribution rate by adopting a resolution and filing it with the Board.

If a member terminates prior to becoming eligible for any benefit or the member elects not to receive a benefit, that individual shall be entitled to all accumulated contributions, interest and any excess investment monies allocated to the member's account.

10. Vesting: After ten (10) years of credited service, a member may vest by filing an application with the Board within ninety (90) days of separation from employment. Upon attainment of the superannuation age requirement found in Section 2 of this Agreement, a basic benefit will be calculated in accordance with Section 3 of this Agreement.

11. Portability: When a member leaves the employ of the City and enters within one year of separation into the employ of another municipality that has joined the System, the member's service credits shall remain unimpaired. Should a member from the employ of another municipality that has joined the System separate from service and within one year of separation join the pension plan, the member's service credits will remain unimpaired. In such cases, the municipal liability for past service shall be prorated by the System between the municipalities on an equitable basis.

12. Optional Forms of Benefit Payment: At the time a member elects to receive a retirement benefit allowance, the benefit may be payable throughout the member's life, in which case, the benefit is known as a Single Life Annuity. The member may alternatively elect at the time of retirement to receive the equivalent actuarial value in a lesser allowance, payable throughout life with provisions that:

- (a) Option 1. If the member dies before receiving in payments the present value of the retirement allowance as it was at the time of retirement, the balance, if less than five thousand dollars (\$5,000), shall be paid in a lump sum to the designated beneficiary if living, or if the named beneficiary predeceased the member or if no beneficiary was named, then to the member's estate. If the balance is five thousand dollars (\$5,000) or more, the beneficiary may elect, by application duly acknowledged and filed with the Board to receive payment of such balance according to any one of the following provisions:
 - (i) in a lump-sum payment, or
 - (ii) in an annuity having a present value equal to the balance payable, or

- (iii) in a lump-sum payment and an annuity. Such annuity shall be of equivalent actuarial value to the balance payable less the amount of the lump-sum payment specified by the beneficiary.
- (b) Option 2. Upon the annuitant's death, the retirement allowance shall be continued throughout the life of and paid to the survivor annuitant, if then living.
- (c) Option 3. Upon the annuitant's death, one-half of the retirement allowance shall be continued throughout the life of and paid to the survivor annuitant, if then living.
- (d) Option 4. A member may elect to receive, in one payment at the time of retirement, the full amount of the member's accumulated deductions (not to include excess investment monies) standing to his credit in the member's account. In so electing this option, the member forfeits the portion of the annuity paid for from the accumulated contributions, but shall continue to be entitled to an annuity comprised of the municipal contribution and any excess investment monies so credited to the account. Any member electing this option shall be entitled to receive the remaining annuity calculated in accordance with any of the other options provided for in this section.

Should a member who has elected a Single Life Annuity die before receiving in annuity payments the full amount of the total accumulated deductions standing to their credit in the member account on the effective date of retirement, the balance shall be paid to the designated beneficiary.

13. Social Security Offset: There shall be no offset for Social Security retirement benefits received by a member.

14. Determination of Municipal Liability: The Board will actuarially determine the normal cost of the plan and any liability associated with the plan's actuarial experience which shall be contributed annually by the City for the service credits of the members. If applicable, any additional amount which shall be contributed annually toward a reserve account for the disability allowances which may be payable in accordance with this Agreement shall also be determined and charged the City.

The amounts so determined shall be computed in accordance with the requirements of Act 205 of 1984, the Municipal Pension Plan Fund Standard and Recovery Act, and Act 15 of 1974, the Pennsylvania Municipal Retirement Law, and subsequent amendments to either Act.

15. Procedure: Matters or procedure not covered in this Agreement shall be as set forth in Act 15 of 1974 and as found in Act 205 of 1984, as they shall, from time to time, be amended.

Should any change or mistake in records result in any member, beneficiary or survivor annuitant receiving from the System more or less than the individual would have been entitled to receive had the records been correct, then regardless of the intentional or unintentional nature of the error and upon the discovery of such error, the Board will correct the error and so far as practicable adjust the payments which may be made for and to such person in such a manner that the actuarial equivalent of the benefit to which the individual was correctly entitled shall be paid.

16. Unfunded Liability: Any unfunded liability incurred by the creation of benefits under this Agreement shall be borne by the City.

17. Effective Date: This Agreement shall be effective the first day of April, 2009, with the acceptance of the same by the City and the Board. Termination of this Agreement shall be in accordance with Section 412 of Act 15 of 1974.

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IN WITNESS WHEREOF, we have hereunto set our hands and seal the day, month and year above written.

ATTEST:

JEANNETTE CITY,
WESTMORELAND COUNTY

BY: _____
Secretary

BY: _____
Chairman

ATTEST:

PENNSYLVANIA MUNICIPAL
RETIREMENT BOARD

BY: _____
Secretary

BY: _____
Chairman

Approved as to form and legality:

BY: _____
Office of Attorney General

BY: _____
Office of General Counsel

BY: _____
Chief Counsel

TAB:TME:tab
4/2/2009