**CHAPTER 1**

**ADMINISTRATION AND GOVERNMENT**

**Part 5**

**Pensions**

**A. Defined Benefit Pension Plan.**

**§501. Establishment of Plan.** A pension Plan is hereby established for the full-time Non-Uniformed Employees. Such Plan shall be under the direction of the Pension Trustee and shall be applied under such regulations as the Trustees may prescribe. The effective date of this Plan shall be October 1, 1975. The effective date of the reinstatement of this Plan shall be January 1, 1991.

**§502. Definitions.**

TRUSTEE - The officers of this corporation, who shall be appointed by resolution of Township Supervisors acting in the capacity of administrator pursuant to this Ordinance.

EMPLOYER - The Township of White Deer.

PARTICIPANT - Every person duly appointed from time to time by the Employer as a full-time Non-Uniformed Employee working not less than thirty-five (35) house per week at a definite salary, subject to reasonable vacation and sick leaves to be included in the Plan upon date of hire.

SERVICE - Total aggregate service with the Employer, not necessarily continuous, beginning upon date of hire.

SALARY - The amount of compensation received by a participant in each and every month, including base pay, longevity pay, night differential, and any other such increments. The term “salary” as used herein does include overtime.

PLAN - The Non-Uniformed Employee Pension Plan established pursuant to this Ordinance.

FUTURE SERVICE LIABILITY - The value of any Participant’s benefits which shall accrue by virtue of that Participant’s service rendered subsequent to the enactment of the Ordinance.

ACTUARIAL EQUIVALENT – A benefit determined by an actuary to be equivalent in value to the Participant’s Normal Retirement Benefit, as defined herein; provided herein.

TERMINATION - The cessation of service by the Participant for any reason including death, disability, resignation, and employer termination. Voluntary leaves of absence without pay shall not be considered a termination for purposes of this Ordinance; but no period of such leave shall be computed in the total service for pension benefit purposes. Leaves of absence or pay shall not be considered a termination within the meaning of this Ordinance provided that the Township is able to certify to the Department of Auditor General that such Participant on a leave of absence with pay as set forth herein; but such leaves may be computed in the total service for pension benefit purposes.

COMMITTEE - The persons which may be appointed to serve in an advisory capacity to the Trustee in the administration of the Plan.

**§503. Administration.**

(1) The Trustee’s shall administer the plan by such regulations as shall from time to time be necessary for the effective maintenance of the Plan; provided that no regulations shall be contrary to the statutes of the Commonwealth of Pennsylvania and/or applicable Federal regulations.

(2) The Township may appoint a Committee which shall act as an advisory body to the Trustees in the administration of the Plan according to the regulations established pursuant to this article.

(3) The Committee shall consist of three (3) members, which number shall include one (1) chosen from the Township and one (1) chosen by a majority of the Participants in the Plan. The final member of the Committee shall be neither a member of the Township, nor a Participant in the Plan, but shall be a “citizen-at-large” and shall be appointed by the Township.

All persons so designated shall serve at the pleasure of the Township for a three (3) year term, with one (1) member being selected each year. Any member may resign upon written notice to the Township and the Committee. Any vacancies in the Committee arising from resignation, death, or removal shall be filled by the Township by the procedure set out herein for the member of the Committee whose resignation, death or removal has created the vacancy.

The Committee shall meet no less than annually and shall serve without compensation for their services.

(4) The Committee shall act by such procedure as the Committee shall establish; provided that all decisions shall be by majority vote. The Committee may authorize one of its members to execute any document on behalf of the Committee, may adopt by-laws and regulations as it deems necessary for the conduct of its affairs.

The Committee shall keep record of all its proceeding and acts which shall relate to the Plan. All actions of the Committee shall be communicated to the Township in a timely fashion.

(5) All such reasonable expenses incurred in the administration of the Plan including but not limited to fees for the services of specialists including actuaries, accountants, consultants, and legal counsel shall be approved by the Township and all may be paid from the Plan; provided that no such payment shall be contrary to the statutes of the Commonwealth of Pennsylvania.

(6) No member of the Township or the Committee established pursuant to this Article shall incur any liability for any action or failure to act, excepting only liability for its own gross negligence or willful misconduct. The Employer shall indemnify each member of the Board and Committee against any and all claims, loss, damages, expense, and liability arising from any action or failure to act, except for such that is the result of gross negligence or willful misconduct of such member.

**§504. Requirements and Benefits.**

(1) Eligibility for Normal Retirement.

(a) A Participant in the Plan may retire from active employment on the first day of the month following the attainment of age 65. If you were employed after January 1, 1991 you must also have 20 years of service to receive full benefits. You must be a Non-Uniformed Employee working a minimum of 35 hours per week.

(b) A Participant who shall complete the requirements as set forth in this Ordinance shall receive a pension for life payable in equal monthly installments. The formula below is used to figure your earned benefit at any time.

(1) 40% of your average monthly pay.

Multiplied by

(2) your earned benefit percentage

Your average monthly pay is the average of your total monthly pay on the 5 consecutive years out of the 10 latest years which five the highest average.

Your “earned benefit percentage” is the percentage of your benefit you’ve earned based on your benefit service. This percentage won’t exceed 100% and is your benefit service divided by your expected benefit at Normal Retirement.

“Benefit service” is the sum of your “periods of service.”

A “period of service” starts when you start working for White Deer Township. It ends on the date you’ve been discharged or quit.

(c) The normal form of income is the straight life form. This form pays you a monthly payment as long as you live. No benefits are payable after your death.

The actual amount of your monthly payments will depend on the form of income you choose. See options listed below:

(1) A monthly income to you for as long as you live. No benefits are payable after your death. NORMAL

(2) A monthly income to you for as long as you live. If you die before the end of a certain number of years (5, 10, 15, 20, 25, 30) payments will be made to your beneficiary to the end of that period.

(3) A monthly income to you for as long as you live. After your death, 50%, 66 2/3% or 100% of your monthly income will be paid to a survivor you named for as long as the survivor lives.

The monthly payment under each form is different because of the different death benefits payable. In general, a monthly income for as long as you live with no death benefits will give you the largest monthly income. A monthly income to you with 100% of your income paid to a survivor will give you the smallest monthly income. However, the actuarial value of each form is the same.

(d) When may you choose an optional form of retirement benefit:

(1) You must make your choice within ninety (90) days of the date benefits begin. You may choose any optional form of retirement benefit. You may change or cancel your choice at any time before benefits begin.

(2) If you’re married, Federal law requires that you must have your spouse’s consent. Your spouse’s consent is limited to a specific beneficiary or survivor. A spouse’s consent will not be valid for any other spouse. You may cancel a choice without your spouse’s consent. A new choice will require a new consent. A spouse’s consent may be revoked at any time before benefits begin.

(2) Eligibility for Early Retirement.

(a) You may choose to have your benefits paid on your early retirement date.

(b) Your “early retirement date” may be the first day of any month on or after the later of . . .

(1) The date you stop working for us.

(2) The date you reach age 55 and have 10 years of service.

(c) May you Retire After Your Normal Retirement Date?

(1) Yes, your ‘late retirement date” will be the first day of the month on or after the date you stop working for us.

(3) Death Benefit.

(a) If your death occurs prior to Normal Retirement, and if you have a surviving spouse to whom you have been married for one year or as of the date of your death or if you have dependent children, a monthly payment will be made to your spouse or to the duly appointed guardian of your dependent children.

These monthly payments will begin on the first of the month following your death and will continue until the later of:

(1) The date of your spouse’s death or remarriage.

(2) The date of you no longer have dependent children.

The amount of such payment will be equal to 50% of your accrued benefit as of the first day of the month before the date of your death.

There are no other death benefits payable if you die before you retire.

(4) Disability Benefit.

(a) If you become totally disabled, you’ll get a monthly disability payment equal to your earned benefit for as long as you’re totally disabled. This benefit is payable up to your normal retirement date. At that time, retirement payments in the same amount will begin.

(b) If you recover before retirement and come back to work, your payments will stop and you may become an active member again.

(c) If you recover before retirement and don’t come back to work, you’ll be treated as though you had stopped working for us on the date you became totally disabled. Your earned benefit and vesting percentage will be determined as of the date you became totally disabled.

(d) Total Disability will require that you be 100% vested, and that you qualify for disability under Federal Social Security.

(e) Final determination of any disability benefit will be made by the Trustees of the White Deer Township Non-Uniformed Pension Plan.

(5) Designation of Beneficiaries.

(a) Each person shall have the right to name the beneficiaries for pre-retirement death benefits.

(b) If the participant shall fail to name a beneficiary, such benefits as would have accrued to the participant’s beneficiary shall be paid to the participant’s estate.

(c) Each participant may from time to time change the beneficiary in such form in such manner as shall be prescribed by the Trustees.

(6) Vested Benefits.

(a) A vested deferred monthly benefit shall be provided for any participant whose termination date occurs prior to that participant’s Normal Retirement Date; provided that the participant shall have notified the employer of such intention to best within ninety (90) days of the participant’s date of termination. Such vested deferred monthly benefits shall be based on the participant’s completed years of service as of the termination date in accordance with the following schedule:

Years of Service Vested Percentage

0 – 5 years zero

5 years 100%

Such vested deferred monthly benefit shall be paid to a Participant upon attainment of that participant’s normal retirement age as set forth in this Article.

(7) Termination.

(a) If for any reason a participant shall terminate service with the Employer prior to becoming vested, that participant will receive no retirement benefits.

(b) If a participant shall subsequently return to service, the participant shall be entitled to credit for prior years of service to the extent of return.

(c) Nothing in this Article shall be construed to allow credit for service actually given to the Employer.

(8) Non-Alienation of Benefits and Vesting.

(a) No benefits under this Ordinance shall be subject to any manner to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge. Nor shall any such benefit be in any manner liable for or subject to garnishment, attachment, execution, levy, or other legal process.

(b) Further, all benefits granted herein shall vest in the participant upon completion of the requirements of eligibility and that participant’s benefits shall continue in the amount and in the form in which participant first became entitled to them.

**§505. Contribution.**

(1) Contributions of the Employer.

(a) It shall be the liability of the Employer to fund the past service liability as determined by the Actuary; The funding period shall also be determined by the Actuary.

(b) It shall be the liability of the Employer to fund for future service cost of the plan.

(c) Tt shall be the responsibility of the Employer to maintain the actuarial soundness of the plan.

(d) Contributions to the plan paid by the Employer shall be at an amount determined by an Actuarial Study as required by Act 205.

(2) Contributions of the Participants.

(a) There are no contributions required by plan participants.

(3) Allocation of Commonwealth Funds. The payments made by the state treasurer to the Employer from the monies received from the taxes paid on the premiums of foreign casualty insurance companies for the purposes of retirement or disability pensions for municipal employees shall be used as follows:

(a) To reduce the unfunded liability, or after such liability is funded.

(b) To apply against the annual obligation of the employer for future service cost.

(4) Allocation of Assets of Existing Pension Plans. Any assets of any existing pension plans for the Non-Uniformed employees of White Deer Township are hereby transferred to the plan established pursuant to this Ordinance and shall be applied against the unfunded liability.

(5) Gifts, Bequests, and Grants. All other monies, and property received by the plan including gifts, bequests, devises, and grants shall be applied against the Employer portion of the future service cost unless otherwise specifically provided.

**§506. Termination of Plan.** Upon termination of the Plan, the assets shall be distributed as follows:

(1) Sufficient funds shall be maintained to provide the pension benefits prescribed in Article IV for all participants who have retired prior to the termination of the Plan, or who are eligible to retire at the time of the termination of the Plan.

(2) Sufficient funds shall be maintained to provide the vested pension benefits prescribed in Article IV for all participants who are eligible for such benefit.

(3) Of the remaining funds, those which can be identified as contribution of the Employees and Employer shall be distributed as the Trustees see fit; provided that such distribution is made on a uniform basis.

(4) All funds in excess of the funds described in paragraph a., b., c. above shall be returned to the Commonwealth as unused funds.

**§507. Credit for Military Service.** Any Participant in the Plan with at least six (6) months of service with the Employer who thereafter shall enter the military service of the United States of America shall have credited to that Participant’s service record for pension benefit purposes all of the time spent by the Participant returns to service with the Employer within six (6) months after said participant’s separation from such military service.

**§508. Participant’s Rights and Municipality’s Right to Terminate.** Neither the establishment of the Plan hereby created, nor any modification thereof, or the creation of any fund or account, nor the payment of any benefits, shall be construed as giving to any Participant or other person any legal or equitable rights against the Employer, or any officer or employee thereof, or the council, except as herein provided.

Under no circumstances shall the Plan hereby created constitute a contract for continuing employment for any participant or in any manner obligate the Employer to continue or to discontinue the service of any employee.

This Plan has been established and shall be maintained by the employer in accordance with the laws of the Commonwealth of Pennsylvania. The Plan shall continue for such period as may be required by such laws; provided that the Employer may, by its own action, discontinue this plan should such laws provide, and the Employer reserved the right to take such action in its sole and absolute discretion, Upon termination, the Employer shall have no liability hereunder other than that imposed by law.

**§509. Investments.** All investments by the Trustees of the assets of this Plan shall comply with such regulations as the Trustees shall establish for the purpose of investing such funds.

The Council may also purchase retirement annuities, or retirement income endowment policies, or a combination of both, which provide a cash value with which to fund pensions; provided that the Trustees shall determine the value of any policies purchased, the company with which the contracts shall be made, and time to purchase such policies. The Trustees shall also have the obligation to ensure that the policies purchased provide benefits on a uniform scale, and that such policies are endorsed to the ownership of the Plan.

**§510. Amendments.** The Trustees reserve the right to amend at any time in whole or in part, any or all of the provisions of the Plan; provided that no such amendments shall authorize or permit any part of the Plan to be used or diverted to purposes other than for the exclusive benefit of the Participants, their beneficiaries, or other estate. Nor shall any amendments divest a Participant of benefits vested by the provisions of Article IV. All such amendments shall comply with the applicable statutes of the Commonwealth of Pennsylvania.

(See Ordinance No. 25, adopted December 16, 2008; Ordinance No. 39 adopted October 25, 2011; Ordinance No. 50, adopted November 25, 2014 for amendments.)

**§511. Construction of Plan.** This Plan shall be constructed according to the laws of the Commonwealth of Pennsylvania, and all provisions hereof shall be administered according to the laws of such Commonwealth.

Wherever any words are used herein in the masculine gender, they shall be construed as though they were also used in the feminine gender in all cases where they would so apply; and wherever any words are used herein in the singular form, they shall be construed as though they were also used in the plural form in all cases where they would so apply.

Headings of Articles and paragraphs of this instrument are inserted for convenience of reference. They constitute no part of this Plan and are not to be considered in the construction thereof.

**§512. Severability.** The provisions of this Ordinance shall be severable, and if any Article, paragraph, clause, sentence, or words of this Ordinance hereby adopted be declared for any reason invalid, unlawful, or unconstitutional, it is the intent of the Trustees, that it had passed all other Articles, paragraph, clauses, sentences, or words of this Ordinance independent of the elimination herefrom of any such portion as may be declared invalid, unlawful or unconstitutional

(Ordinance No. 91-2, adopted July 23, 1991)

**§513. Restated Plan.**

(1) The White Deer Township Defined Benefit Non-Uniformed Employees Pension Plan is amended and restated in accordance with the provisions of the amendment attached hereto.

(2) All provisions of the White Deer Township Defined Benefit Non-Uniformed Employees Pension Plan except as amended and modified by this Ordinance are hereby ratified and confirmed.

(3) The Chairman of the Board of Supervisors of White Deer Township as agent for White Deer Township, is authorized and directed to execute the attached amendment and reinstatement of the Plan. (Restated Plan is in the Office of the Secretary of White Deer Township)

(Ordinance No. 24, adopted December 16, 2008)

**B. Defined Contribution Pension Plan**

**§514. White Deer Township Non-Uniformed Employees Defined Contribution Pension Plan.** The White Deer Township Non-Uniformed Employees Defined Contribution Pension Plan, originally effective January 1, 2000, as amended and restated January 1, 2008, December 16, 2008, October 25, 2011 and November 29, 2023, is hereby adopted, as amended and restated, as the Defined Contribution Pension Plan for White Deer Township, Union County, Pennsylvania. A copy of the Plan is available at the offices of White Deer Township.

(Ordinance No. 74, adopted November 29, 2023)

**C. Social Security.**

Be it ordained by the Supervisors of the Township of White Deer that it is the considered opinion of this body that the extension of the Social Security System to employees and officers of the Township of White Deer will be of great benefit, not only to the employees of the Township of White Deer by providing that said employees and officers may participate in the provisions of the Old Age and Survivors Insurance System, but will also be of great benefit to the Township of White Deer by enabling it to attract and retain in employment the best of personnel and thus increase the efficiency of its government.

The 1951 Session of the General Assembly of the Commonwealth of Pennsylvania, in regular session, enacted a statute, known as Act No. 491, which is the enabling Act provided for in Section 218 of Public Law 734, 81st Congress, which designated the Secretary of Labor and Industry of the Commonwealth of Pennsylvania to act as the “State Agency” to implement the coverage of employees and officers under the said Old Age and Survivors Insurance System. The Township of White Deer is hereby authorized to execute and deliver to the State Agency a plan, or plans and agreement, required under Section 6 of said enabling Act and the Social Security Act, to extend coverage to employees and officers of the Township of White Deer and do all other necessary things to effectuate coverage of employees and officers under the Old Age and Survivors Insurance System.

The Clerk is hereby authorized to establish a system of payroll deduction to be matched by payments by the Township of White Deer to be made into the Contributions Fund of the Social Security Act through the office of the State Agency, and to make charges of this tax to the Fund, or funds, from which wage or salary payments are issued to employees of the Township of White Deer. Such payments are to be made in accordance with the provisions of the Law and Regulations promulgated by the State Agency and the Federal Security Administrator. Such payments which are delinquent, shall bear interest at the rate of ½ of 1 percent per month until such time as payments are made.

Appropriation is hereby made from the proper fund, or funds. Of the Township of White Deer in the necessary amount to pay into the contribution fund as provided in Section 4 of the enabling Act and in accordance with the plan or plans and agreement. Authority is given to the Supervisors of the Township of White Deer to enter into an agreement with the State Agency, which agreement shall be in accordance with Act No. 491 and with paragraph 218 or the Social Security Act. Such plan and agreement shall provide that the participation of this Township or White Deer shall commence as of January 1, 1952.

(Ordinance No. 2, adopted November 8, 1952)