

ORDINANCE NO. 270

AN ORDINANCE, of the Borough of Milesburg, establishing an employee pension plan:

WHEREAS, the Borough of Milesburg, Centre County, Pennsylvania, desires to establish a Retirement Plan for its employees; and

WHEREAS, 53 P.S. 46202 (the Borough Code) authorizes Boroughs to enter into contracts with insurance companies granting annuities for pensions for the pensioning of employees; and

WHEREAS, the Borough Code further authorizes that the Borough may agree to pay all or part of the premiums or charges for carrying such contracts of insurance and may appropriate out of its treasury any money necessary to pay such premiums or charges or portions thereof.

NOW THEREFORE BE IT ENACTED AND ORDAINED by the Borough of Milesburg and it is hereby enacted and ordained that the Borough of Milesburg, Centre Pennsylvania enter into an agreement with a duly authorized insurance company for a contract of annuity with guaranteed values for the purpose of continuing its defined contribution pension plan upon the following terms and conditions:

1. The plan shall be known as the Milesburg Borough Retirement Plan.
2. The effective date of the plan, as revised, is January 1, 1998.
3. Eligibility applies only to all full-time employees (including any elected supervisors) but excludes part-time employees. A "full-time" employee shall be deemed to be an employee whose regular work week is comprised of an average of thirty-five (35) hours, and who has worked an average of thirty-five (35) hours per week for a continuous period of at least six (6) months.
4. The entry date shall be the date of initial full-time employment provided, however, that such employment has been for a continuous period of at least six (6) months.
5. No employee shall be required to contribute to the plan. Voluntary employee contributions are permitted, including optional 457 plans, subject to any applicable tax regulations and any restrictions of the plan. All employees' contributions including accumulated interest shall be fully vested at all times.
6. The employer shall contribute \$2,000 annually for each eligible employee.
7. In the event an employee shall work full-time as herein defined for only part of a calendar year, then in that event, employer contributions shall be prorated for each eligible employee.
8. The employer shall pay the expense of administering the plan and be the owner of the policies.

9. (A) The plan shall provide a pre-retirement death benefit to the beneficiary of an employee who is eligible for death benefits as per the cash surrender value of the participating member's contract.
- (B) If an employee, while employed by the employer and covered under this plan, shall die prior to the commencement of any benefit, his beneficiary shall receive a death benefit value of the employee's account.
10. In case of termination of employment, the employee shall be fully vested in this account.
11. If an employee elects to retire prior to his normal retirement date, he shall be deemed to have retired early and such employee shall be fully vested in the value of his account.
12. If by mutual agreement of the employer and employee, the employee continues in active employment following his normal retirement date, he shall continue to participate under this plan.
13. The employer reserves the right to amend or terminate this plan at any time and to any extent that it may deem advisable, without the consent of any participant of any beneficiary, provided however, that no amendment shall deprive any employee of any vested interest.
14. The appointed Secretary of the Council of Milesburg Borough is authorized to execute any and all documents necessary for the implementation of the herein described pension plan.

ENACTED AND ORDAINED, this 23<sup>rd</sup> day of November, 1998, by the Council of the Borough of Milesburg.

James J. Reigh  
Council Pres.

ATTEST

Paul J. Hall  
Sec.-Treas.

AND NOW, to wit this 23<sup>rd</sup> day of November, 1998, the within and above Ordinance is approved.

Phyllis J. Jordan  
Mayor of Milesburg Borough