

**MUNICIPALITY OF NORRISTOWN
MONTGOMERY COUNTY, PENNSYLVANIA**

ORDINANCE NO. 16-03 OF 2016

AN ORDINANCE OF THE MUNICIPALITY OF NORRISTOWN, MONTGOMERY COUNTY, PENNSYLVANIA, AMENDING CHAPTER 27 OF THE GENERAL LAWS OF THE MUNICIPALITY OF NORRISTOWN TO ESTABLISH A DEFERRED RETIREMENT OPTION PLAN; TO MODIFY SECTION 7.1 (b) REGARDING MODERATE SERVICE CONNECTED DISABILITY; TO RENAME ARTICLE 9 TO INCLUDE MILITARY BUYBACKS; AND TO MODIFY SECTION 10.3 (b) (ii) TO PROVIDE FOR PENSION PAYMENTS FOR SINGLE FIREFIGHTERS; REPEALING ALL INCONSISTENT ORDINANCES OR PARTS THEREOF; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS; the Municipality of Norristown of the Commonwealth of Pennsylvania (the “Municipality”) created the Norristown Paid Fire Fighters Pension Plan (the Plan”) pursuant to an ordinance enacted by the Municipal Council on March 16, 1958;

WHEREAS; the Plan has been maintained since such time for the benefit of eligible participants;

WHEREAS; the Board of Trustees has the authority, pursuant to Section 12.3 of the Plan, to amend or modify the Plan, subject to the approval of the Municipality and the Local 2335 of the International Association of Fire Fighters, AFL-CIO (the “IAFF”); and

WHEREAS; the Municipality and the IAFF have agreed to a series of pension enhancements, including the establishment of a “deferred retirement option plan,” set forth in the latest Agreement between the Municipality of Norristown and the International Association of Fire Fighters, Local 2335, executed on July 7, 2015;

NOW THEREFORE; effective March 5, 2016 be it, and it is ORDAINED by the Norristown Municipal Council, and it is hereby ENACTED and ORDAINED by authority of same the Plan is hereby amended as set forth herein.

I. Two new sentences are hereby added to the end of Section 2.4(a) of the Plan to read as follows:

Effective March 5, 2016, each Fire Fighter’s contributions to the Plan shall increase from 5% of salary to 7% of salary. Effective January 1, 2017, each Fire Fighter’s contribution to the Plan shall increase from 7% of salary to 7.5% of salary.

II. A new Section 4.2 is added to the Plan, to read as follows:

“4.2 Deferred Retirement Option Plan. Consistent with Section 414(k) of the Code and the regulations thereunder, as amended from time to time, and effective as of March 5, 2016, the Plan will offer a three-year self-directed deferred retirement option plan

("DROP) to all Fire Fighters who reach at least age 53 and complete at least 25 Years of Service. The DROP shall operate according to reasonable non-discriminatory rules and regulations established by the Board of Trustees. There will be no stated or guaranteed interest; actual earnings, losses and account expenses will be posted to a Fire Fighter's DROP account."

III. Section 7.1 (b) of the Plan shall be modified to read as follows:

"(b) Moderate Service Connected Disability. A Fire Fighter who is permanently and totally disabled as a result of a Moderate Service Connected Disability shall be entitled to receive a disability benefit commencing as of the date of his separation from service equal to 50% of his Final Average Salary at the date of disability. The disability benefit under this paragraph (b) shall be reduced by 100% of any workers compensation, however, in no event shall the benefit payable to the Fire Fighter be less than the benefit he is entitled to receive under any other provision of this Plan."

IV. Article 9 is hereby renamed "COLAs and Military Buybacks", and the following Section 9.3 is hereby inserted therein:

"9.3 Military Buybacks. Effective as of March 5, 2016, a Fire Fighter may purchase up to two (2) additional Years of Service for time served in the United States Armed Forces before becoming a Fire Fighter. Such military service must have been on active duty and the Fire Fighter must have received an honorable discharge. The buyback amount is equal to 5% of the Fire Fighter's current base salary for each year of a military buyback purchase. The Fire Fighter shall pay the military buyback amount to the Plan upon retirement, at which time he shall receive credit for the additional one (1) or two (2) Year(s) of Service purchased.

V. Two new sentences are hereby added to the end of Section 10.3(b)(ii) to read as follows:

"Effective for any single Fire Fighter who retires on or after March 5, 2016, the Plan shall pay retirement benefits for the Fire Fighter's lifetime with the guarantee that if the Fire Fighter dies before receiving 120 monthly payments, payments will continue to the Fire Fighter's beneficiary, determined as described in Section 10.1, until a total of 120 payments have been made."

VI. All ordinance, resolutions or parts thereof inconsistent with the provisions of this Ordinance are hereby repealed to the extent of the inconsistency.

VII. The provisions of this Ordinance are declared severable. If any provision of this Ordinance is declared by a court of competent jurisdiction to be invalid or unconstitutional, such determination shall have no effect on the remaining provisions of this Ordinance.

VIII. This Ordinance shall go into effect five (5) days following its legal enactment in accordance with the provisions of the Home Rule Charter of the Municipality of Norristown.

ENACTED and **ORDAINED** this 15th day of March, 2016.

Attest:


Crandall Jones
Municipal Administrator

NORRISTOWN MUNICIPAL COUNCIL

Sonya D. Sanders
Council President