

ORDINANCE NO. 2025 - 2

AN ORDINANCE OF MONROE TOWNSHIP, SNYDER COUNTY, COMMONWEALTH OF PENNSYLVANIA, ELECTING TO AMEND ITS NON-UNIFORM PENSION PLAN ADMINISTERED BY THE PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM PURSUANT TO 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. IT IS HEREBY ORDAINED BY MONROE TOWNSHIP, SNYDER COUNTY, AS FOLLOWS:

SECTION I. Monroe Township (the Township), having established a non-uniform pension plan administered by the Pennsylvania Municipal Retirement System (the System), hereby elects to amend its Non-Uniform Pension Plan administered by the System in accordance with Article IV of the Pennsylvania Municipal Retirement Law, 53 P.S. §881.101 et seq. (Retirement Law), and does hereby agree to be bound by all the requirements and provisions of the Retirement Law and the Municipal Pension Plan Funding Standard and Recovery Act, 53 P.S. §895.101 et seq., and to assume all obligations, financial and otherwise, placed upon member municipalities.

SECTION II. As part of this Ordinance, the Township agrees that the System shall administer and provide the benefits set forth in the amended Non-Uniform Pension Plan Document entered into between the Pennsylvania Municipal Retirement Board and the Township effective as of the date specified in the adoption agreement (the Contract).

SECTION III. The Township acknowledges that by passage and adoption of this Ordinance, the Township officially accepts the Contract and the financial obligations resulting from the administration of the Contract.

SECTION IV. Payment for any obligation established by the adoption of this Ordinance and the Contract shall be made by the Township in accordance with the Retirement Law and the Municipal Pension Plan Funding Standard and Recovery Act. The Township hereby assumes all liability for any unfundedness created due to the benefit structure set forth in the Contract.

SECTION V. The Township intends this Ordinance to be the complete authorization of the Contract, as amended and it shall become effective as of the date specified in the adoption agreement, which is the effective date of the Contract, as amended.

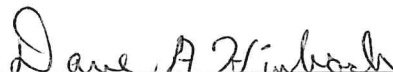
SECTION VI. A duly certified copy of this Ordinance and an executed Contract shall be filed with the System.

ORDAINED this 24th day of June, 2025.

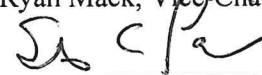
TALLY OF VOTES – YEAS 3 NAYS 0

ATTEST:


Ashley R. Dull, Secretary


Dave Heimbach, Chairman


Ryan Mack, Vice-Chairman


Steven Paige, Supervisor

Reviewed by PMRS Legal Counsel _____

CERTIFICATION

I, Ashley R. Dull, Secretary of the Board of Supervisors of the Township of Monroe, Snyder County, Pennsylvania, hereby attest and certify that the foregoing is a true and correct copy of Monroe Township Ordinance No. 2025 - 2 which was duly enacted at the regular meeting of the Board of Supervisors of Monroe Township on the 24th day of June, 2025.



(Monroe Township Seal)



Ashley R. Dull, Secretary



PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM
CASH BALANCE PLAN
Adoption Agreement Amendment

The undersigned, Monroe Township, Pennsylvania ("Municipality" with a PERC Number 55-036-5 N), pursuant to Article XVI of the Base Plan Document, is amending its Adoption Agreement having the effective date and the expiration date as shown below. The Municipality makes the following elections granted under the provisions of the Base Plan Document:

PLAN AMENDMENT

Table with 2 columns: Field Name and Value. Fields include Amendment Effective Date (April 1, 2025), Adoption Agreement Effective Date (September 1, 2020), Application (General), Amendment Expiration Date (N/A), General Description (Establishes in-service distributions with and without a break in service on or after April 1, 2025), and Affected Members (All eligible Members who are Active Members of the Township on or after April 1, 2025).

AMENDED ADOPTION AGREEMENT SECTIONS

The Sections of the Adoption Agreement below are applicable to this Amendment and will be effective for the Affected Members between Amendment Effective Date and the Amendment Expiration Date. All other sections of the applicable Defined Benefit Plan Adoption Agreement 001 remain the same during the period between the Amendment Effective Date and the Amendment Expiration Date.

1.61 NORMAL RETIREMENT AGE (Applicable to In-Service Distributions)

- [--] In-Service Distributions Not Allowed
[X] In-Service Distributions Allowed in Accordance with Section 10.05 (Continuing Employment after Normal Retirement Age)
[X] In-Service Distributions Allowed in Accordance with Section 10.06 (Re-employment after Benefit Commencement Date)

Normal Retirement Age for Allowable In-Service Distributions

- [X] Eligible Employees (Select all that apply below)
[X] Date the Member attains age sixty-five (65)
[--] Date the Member attains age sixty-two (62)
[--] The later of the date:
Member attains age sixty (60) and
Member completes five (5) Years of Vesting Service
[--] The later of the date:
Member attains age fifty-five (55) and
Member completes ten (10) Years of Vesting Service

- [--] Date the Member's age plus completed Years of Vesting Service equals or exceeds eighty (80)
- [--] Date the Member's age plus completed Years of Vesting Service equals or exceeds _____ () (The numerical value shall not be less than eighty (80))
- [--] Date the Member completes twenty-five (25) Years of Vesting Service (Must be combined with one of the other options)

To use the three options below, the date the Member meets the specified conditions cannot be greater than the date the member attains age 65 nor less than the date the member attains age 55 and, in any event, may not be less than the representative typical retirement date for such Member's occupation.

- [--] Date the Member attains age _____
- [--] The later of the date:
 - Member attains age _____ ()
 - Member completes _____ () Years of Vesting Service

[--] Other:

- [--] Police Officers, Firefighters and other qualified public safety employees as defined under Code Section 72(t)(10) have the following additional options (Select all that apply below)
 - [--] Date the Member attains age fifty (50)
 - [--] Date the Member completes twenty (20) Years of Vesting Service
 - [--] Date the Member's age plus completed Years of Vesting Service equals or exceeds seventy (70)
 - [--] Date the Member's age plus completed Years of Vesting Service equals or exceeds _____ () (The numerical value shall not be less than seventy (70))

To use the three options below, the date the Member meets the specified conditions cannot be greater than the date the member attains age 65 nor less than the date the member attains age 50 and, in any event, may not be less than the representative typical retirement date for such Member's occupation.

- [--] Date the Member attains age _____ ():
- [--] The later of the date:
 - Member attains age _____ ()
 - Member completes _____ () Years of Vesting Service
- [--] Other: _____

(Normal Retirement Age designation cannot be earlier than Superannuation Retirement Pension eligibility under Section 5.01.)

10.05 CONTINUATION OF EMPLOYMENT AFTER NORMAL RETIREMENT AGE.

A Member continuing as an Employee (as defined in Section 1.34 of this Adoption Agreement) after Normal Retirement Age:

- [X] May elect to Retire and commence payment of Superannuation Retirement Benefit without a Severance from Credited Service or a Termination of Employment
- [--] Shall not be able to commence Superannuation Retirement Benefit without a Termination of Employment or Retirement

10.06 REEMPLOYMENT OF RETIRED MEMBER.

After Reemployment Commencement Date as an Employee (as defined in Section 1.34), the Retired Member:

- [X] Shall elect to continue or cease receiving his Accrued Benefit
- [--] Shall cease receiving his Accrued Benefit



The Municipality hereby agrees to the provisions of this Adoption Agreement Amendment, and in witness of its agreement, the Municipality by its duly authorized officers has executed this Adoption Agreement Amendment, on the date specified below.

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

ATTEST:

MONROE TOWNSHIP

BY: Ashley R Dull, Secretary BY: David A Weidner Head of Governing Authority

DATE: 05/27/2025

ATTEST

PENNSYLVANIA MUNICIPAL RETIREMENT BOARD

BY: Secretary

BY: Board Chair

DATE:

Approved as to form and legality:

BY: Chief Counsel, PMRS

BY: 49-FA-1.0 Office of General Counsel

BY: 49-FA-1.0 Office of Attorney General

This Plan is an important legal document. Failure to properly fill out this Adoption Agreement Amendment may result in disqualification of this Plan. PMRS will inform you of any amendments made to the Base Plan Document. The address of PMRS is 1721 North Front Street, Harrisburg, PA 17102.

You may rely on an opinion letter issued by the Internal Revenue Service as evidence that this Plan is qualified under Code Section 401 only to the extent provided in Revenue Procedure 2015-36.

You may not rely on the opinion letter in certain other circumstances or with respect to certain qualification requirements, which are specified in the opinion letter issued with respect to the Plan and in Revenue Procedure 2015-36. In order to have reliance in such cases, an individual application for a determination letter must be made to Employee Plans Determinations of the Internal Revenue Service.

In-Service Distributions

Retirement Plan Administration Issues Relating to Simultaneous Employment and Receipt of Retirement Benefits from the Same Employer

As employees near retirement age, PMRS receives questions from both employers and employees about how an employee could continue working and begin receiving retirement benefits or how a retired employee could come back to work and continue receiving their retirement benefits. The Internal Revenue Service (IRS), which regulates the tax-qualified status of retirement plans, identifies this concept of simultaneous employment with one employer and the receipt of retirement benefits from that same employer as an “in-service distribution” from the retirement plan.

The IRS has had a long-standing general prohibition of tax-qualified retirement plans being allowed to offer in-service distributions. Over a number of years however, there has been a relaxation of this prohibition under very limited circumstances. These exceptions relate to the specific factual circumstances combined with the appropriate language found in the specific retirement plan.

New PMRS Plan Documents Allow Employers More Flexibility to Offer In-Service Distributions

PMRS wants the municipality to make an informed decision as whether to offer in-service distributions for its employees. Further, PMRS no longer wishes to have to regularly determine an employee’s eligibility for an in-service distribution based on fact-specific circumstances. ***In order for a municipality to offer in-service distributions, they will need to do so in the new plan documents.***

There are two types of in-service distributions that a municipality can offer. A municipality can offer one, both or neither of the options.

1. For Current Plan Members, the municipality can allow (or prohibit) In-Service Distributions without a break in service

The Municipality will elect one of two alternatives:

- a. Prohibit any Plan Member from starting retirement benefits without Employment Termination, or
- b. Allow any Plan Member who has reached Normal Retirement Age to apply for and begin receiving retirement benefits without Employment Termination.

If a Plan Member is allowed to receive and elects to receive an in-service distribution, that Member is then considered a Retired Member who will no longer:

- accrue additional Plan service
- make required or optional Plan contributions
- be eligible for a Plan disability benefit (if applicable)

Under this option, there does not need to be an employment termination in order for an employee to receive an in-service distribution. For example, an employee could be an accruing service as an active plan participant on Friday and can begin collecting retirement benefits (via an in-service distribution) on Monday.

2. For Retirees, the municipality can allow (or prohibit) In-Service Distributions if Re-employed
The Municipality will elect one of two alternatives:
 - a. Require re-employed retirees to cease receiving their retirement benefits, rejoin the retirement plan (if eligible) and then, when employment is once again terminated, recalculate an adjusted retirement benefit.
 - b. Allow any re-employed retiree to elect to: (1) continue receiving benefits and not rejoin the Plan as an Active Member or (2) to cease receiving their retirement benefits, rejoin the Plan as an Active Member and then, when employment is once again terminated, recalculate an adjusted retirement benefit.

Impact of Allowing In-Service Distributions

It should be noted that it is completely in the discretion of a municipality to offer one, both or neither of these two elective Plan options. However, if allowed by the municipalities, in-service distributions must be offered to all employees. **Moreover, these new options will be applied to Plan Members and Retirees regardless of whether they are employed or re-employed in a Plan eligible position.**

There may also be a cost to a municipality for allowing in-service distributions. First, from a pension perspective, there is generally a higher cost to have an employee retire than to accrue service in a plan. By offering in-service distributions, an employer is enticing an employee to continue working (perhaps to collect medical benefits) and retire for pension purposes and collect their retirement checks while remaining an active employee for all other purposes. Second, in-service distributions allow for the classic case of "double-dipping" whereby an employee can simultaneously collect a pay check and their retirement check. This may have costs both politically and financially on the municipality. Finally, there is no limit on how long an employee can avail themselves to in-service distributions so the employer may lose some control on how long an employee may continue working.