

RESOLUTION No. 12-27

THE BOARD OF COMMISSIONERS OF HATFIELD TOWNSHIP MONTGOMERY COUNTY, PENNSYLVANIA

A RESOLUTION OF THE HATFIELD TOWNSHIP BOARD OF COMMISSIONERS AUTHORIZING THE CREATION OF AN EARLY RETIREMENT INCENTIVE PROGRAM FOR CERTAIN NONUNIFORMED EMPLOYEES, ESTABLISHING THE ELIGIBILITY CRITERIA, BENEFITS, TERMS AND CONDITIONS ATTENDANT THERETO, AND SETTING FORTH THE NECESSARY STEPS TO BE TAKEN BY THE TOWNSHIP TO EFFECTUATE THE TERMS OF THE EARLY RETIREMENT INCENTIVE PROGRAM.

BE IT RESOLVED by the Board of Commissioners of Hatfield Township (“the Board”), under the authority bestowed upon the Board by the First Class Township Code, 53 P.S. § 55101 *et seq.*; and

WHEREAS, the Hatfield Township (“the Township”) has established the Hatfield Township Municipal Employees Pension Plan (“the Plan”) for the benefit the Township’s non-uniformed employees; and

WHEREAS, from time to time the Township has amended and/or restated the terms of the Plan with the most recent restatement occurring through Ordinance 619 of 2010; and

WHEREAS, the Plan currently provides that an employee may receive an early retirement benefit after rendering either ten (10) years of service and reaching age sixty two (62) or rendering twenty five years of service and reaching age fifty five (55); and

WHEREAS, employees separating through early retirement receive an actuarially equivalent pension which is a product of a reduction of a normal pension benefit by an early retirement factor set forth in Appendix E to the Plan; and

WHEREAS, the Township desires to offer a voluntary Early Retirement Incentive Program (“ERIP”) to its non-uniform employees eligible to participate in the Plan and who will have a minimum of ten (10) years of service with the Township and who will attain at least fifty-nine (59) years of age by February 28, 2013; and

WHEREAS, the Board desires to set out the terms and eligibility requirements of the ERIP offered to its non-uniform employees and the steps to be taken in the event that one or more eligible employees elects to participate in the ERIP.

NOW THEREFORE, the Board RESOLVES as follows:

1. *Eligibility Criteria for Retirement Incentive Program.* Non-Uniform employees meeting the following criteria shall be eligible to participate in the ERIP:

- a. The employee must be a minimum of fifty-nine (59) years old as of February 28, 2013.
- b. The employee must have a minimum of ten (10) years of service as of February 28, 2013.
- c. The employee must formally separate from employment no later than February 28, 2013.
- d. The employee must not have previously executed retirement paperwork or provided any other written notification of intent to retire as a Township employee prior to the effective date of this Resolution.

2. *Participation by Eligible Employees.* In order to participate in the ERIP authorized by this Resolution, an eligible employee must submit an initial letter accepting the terms of the ERIP and indentifying a date of separation from employment at least sixty (60) days after the date of submission of the letter accepting the terms of the ERIP. Following the submission of the letter accepting the terms of the ERIP, and prior to the employee's separation date, the employee must execute and return to the Township a Severance Agreement and Release ("Release"). The Release shall be prepared by the Township and shall require the employee to acknowledge the voluntary nature of their separation from employment and waive any and all claims against the Township, except those that are not waivable as a matter of law. In addition, the employee shall be required to complete any and all paperwork necessary to process the employee's retirement prior to separation.

3. ***Benefits Offered Under Retirement Incentive Plan.*** Eligible employees who participate in the ERIP shall receive the following benefits:

- a. The distribution age for an early retirement pension benefit will be reduced from age sixty five (65) to fifty nine (59).
- b. The actuarial equivalence factors contained in Appendix E of the Plan shall be waived for participants in the retirement incentive plan.
- c. Participating employees shall receive a percentage of their 2013 vacation leave, along with up to three carried over 2012 vacation leave days, if applicable, paid out at separation. If the employee separates in January of 2013, the employee will receive a non-pensionable payment for 1/6 of their 2013 vacation leave; if the employee separates in February of 2013, the employee will receive a non-pensionable payment for 2/6 of their 2013 vacation leave.
- d. The Township shall provide an individual medical coverage credit, to be used for one of the following: the employee, the employee's spouse or the employee's dependent. For the first year of retirement, the credit will be 100% of the cost of coverage, for the second year, the credit will be 75% of the cost of coverage, and for the third year, the credit will be 50% of the cost of coverage.
- e. The participating employee, and any eligible immediate dependents, shall be able to purchase medical coverage under the Township's then-current plan at full cost and at their sole expense, minus any applicable credit.
- f. Employees shall be able to purchase medical coverage under the Township's then-current medical plan up to age sixty five (65) when eligible for Medicare. Employees may purchase, at their sole

expense minus any applicable credit, dependent medical coverage under the Township's then-current medical plan up to the eligibility age for dependents as established by the Township's healthcare provider and subject to any other plan limitations.

- g. Employees may receive a maximum of twenty (20) complimentary non-member, day passes, per season, to the Aquatic Center, which shall be available upon request by the employee for a period of five (5) years after retirement.

4. The Board hereby authorizes and directs the Township Manager, Township Solicitor and Special Labor Counsel to take any and all steps necessary to implement the provisions of this Resolution, including:

- Prepare and disseminate to eligible employees the terms and conditions of the ERIP.
- Upon a showing of interest by at least one employee within the time parameters prescribed by this Resolution:
 - Amend the Hatfield Township Municipal Employees' Pension Plan to the extent necessary to permit and implement the terms of the ERIP for eligible employees.
 - Prepare releases of claims and other forms required for implementation of the ERIP.
- Take any other action necessary to effectuate and implement the terms of this Resolution.

5. All provisions of this Resolution shall become effective immediately.

RESOLVED, this 26th day of September 2012.

ATTEST:

**HATFIELD TOWNSHIP
BOARD OF COMMISSIONERS**

Andrew S. Haines, Manager/Secretary

Thomas C. Zipfel, President