

**Draft – January 7, 2020**

**WORKING AGREEMENT BETWEEN THE STOWE  
TOWNSHIP BOARD OF COMMISSIONERS AND THE  
STOWE TOWNSHIP POLICE DEPARTMENT**

**ARTICLE I**

THIS WORKING AGREEMENT entered into the 1<sup>st</sup> day of January 2020, by and between  
the Stowe Township Board of Commissioners (hereinafter “Township”)

A  
N  
D

The Stowe Township Police Department (hereinafter “Policemen”).

WHEREAS, in the past, the Township and the Policemen have engaged in Collective Bargaining in accordance with the terms of the Act of June 24, 1968, P.L. 237, No. 111, 43 P.S. §217.1 et seq., (hereinafter “Act 111”); and various Awards and Agreement have been entered; and

WHEREAS the Township and the Policemen wish to set forth herein the Awards and Agreement between the parties concerning wages and other items and conditions of employment; and

WHEREAS, various Arbitration Decisions, Awards, Agreements and the like have been established since 1971 through the present with the Township and the Policemen have operated under; and they now wish to set forth herein those terms, provisions and conditions of employment in a more formal single document.

NOW, THEREFORE, for and in consideration of the mutual covenants contained here, and intending to be legally bound hereby, the parties hereto do covenant and agree as follows:

**ARTICLE II  
TERM OF WORKING AGREEMENT**

- a. Article I shall be amended to reflect that the term of the new Agreement shall be for a period of five (5) years from the first day of January 1, 2020 to and including December 31, 2024; and
- b. If bargaining for a Working Agreement is not timely demanded, the existing Contract will continue in force for an additional year.

(See AAA Case No. 55-L-360-0304-95 dated April 19, 1996).

**ARTICLE III  
BARGAINING COMMITTEE**

1. For the purposes of this Agreement, the term "Policemen" means full-time and employed by the Township, excluding the Chief of Police.
2. The Bargaining Committee consists of all Stowe Township Policemen, excluding the Chief of Police in accordance with the ruling of the Award of 1971. (See AAA Case No. 55-39-0195-70). It is understood that any officer acting above the rank of Sergeant shall not act as a representative for collective bargaining or binding arbitration under Act 111. Further, it is expressly agreed that the bargaining unit does not include school guards, fire police, auxiliary police, if any should be constituted, or any other person who may, in the time of emergency or otherwise, perform duties as a policeman, including but not limited to the Code Enforcement Officer or Zoning Officer.

**ARTICLE IV  
SALARY AND WAGES**

1. **BASE ANNUAL WAGE** – "Compensation" shall mean the total remuneration of the member/employee, whether salary of hourly wages, including overtime pay, holiday, longevity pay, and any other form of remuneration, excluding reimbursement for expenses, paid by the Township/Employer for police services rendered.

a. Full-Time Officers:

Effective January 1, 2020 the wage rates for all police officers shall be increased by two (2%) percent across-the-board above the rates in effect on December 31, 2019;

Effective January 1, 2021 the wage rates for all police officers shall be increased by two and one-half (2.5%) percent across-the-board above the rates in effect on December 31, 2020;

Effective January 1, 2022 the wage rates for all police officers shall be increased by two and one-half (2.5%) percent across-the-board above the rates in effect on December 31, 2021;

Effective January 1, 2023 the wage rates for all police officers shall be increased by three (3%) percent across-the-board above the rates in effect on December 31, 2022; and

Effective January 1, 2024 the wage rates for all police officers shall be increased by three (3%) percent across-the-board above the rates in effect on December 31, 2023.

(See AAA Case No. 55-360L 0027810, dated April 2011)

b. Shift Differential:

A shift differential of fifteen (\$0.15) cents shall be paid for each hour worked between the hours of 3:00 p.m. and 11:00 p.m. and twenty-five (\$0.25) cents for all hours worked between 11:00 p.m. and 7:00 a.m.

c. Part-Time Police Officers:

The Township may hire as many Part-Time Police Officers as is necessary to fill in for any absent Full-Time Police Officer(s). Part-Time Police Officers shall not be used to reduce the forty (40) hour week of any Full-Time Police Officer. No Full-Time Police Officer can be laid off while Part-Time Police Officers are employed.

(See AA Case No. 55-360-0304-95, dated April 19, 1996).

Part-Time Police Officers shall be scheduled and work no more than thirty-five (35) hours during any consecutive seven (7) days except in "emergency" situations arising when all Full-Time Police Officers are scheduled and assigned to other

duties on their jobs. As used in this provision, the term "emergency" refers to unusual occurrences requiring a temporary augmentation of the regular Full-Time Police Officers work force.

(See AAA Case No. 55-L-360-001914-1, dated March 28, 2003)

Although Part-Time Police Officers can be scheduled, Full-Time Police Officers must be given the first opportunity for overtime.

(See AAA Case No. 55-39-0175-74, dated October 24, 1974)

- d. Officer In Charge (OIC): An OIC shall be paid an additional twenty-five (\$0.25) cents per hour. Only Full-Time Police Officers can be OIC's.

2. OVERTIME COMPENSATION:

- a. Overtime consists of any authorized work actually performed in excess of eight (8) hours in any work day and forty (40) hours in any one work week. Full-Time Police Officers shall be paid time and one-half for all time and work that is defined as "overtime".

(See AAA Case No. 55 39 0153 72 of 1973)

- b. In the event that a Full-Time Police Officer is called out to duty by the Chief of Police, that Full-Time Police Officer shall receive no less than four (4) hours pay at time and one-half. A Full-Time Police Officer will not receive four (4) hours pay at time and one-half if he/she is being held over from his/her regular shift.

(See Agreement of 1986)

- c. All overtime work opportunities shall be extended to regular Full-Time Police Officers and, in each instance, shall be offered and assigned to the senior such officer available therefor, on a rotating basis. If no senior such officer entitled to that work declines to accept it, the Township may assign the junior such officer thereto, on that basis. As used in the provision, an overtime opportunity refers to any work the Township requires and assigns due to (1) any unscheduled absences of any scheduled Full-Time Police Officers, (2) any vacancy arising from any scheduled absences, (e.g. vacations, illness, etc.) of any employee, and (3) any "emergency" such work to which any Full-Time Police Officer is available for assignment, at the time.

(See AAA Case No. 55-L-360-00191-1, dated March 28, 2003)

- d. If an opportunity arises for a Police Officer to work a special event for which an outside Agency is financially responsible, then in the event, Full-Time Police

Officers would be called out first according to seniority. All Police Officers shall be paid the rate of Sixty (\$60.00) Dollars per hour. Officers already scheduled to work are not eligible for special event detail.

3. COURT TIME PAY

- a. "Court Time" is defined as any time spent at any judicial proceeding, including but not limited to summary matters and preliminary hearings, on a case arising out of police work for the Township, where the Police Officer's presence is required for processing or prosecution of a case.

All Court Time pay shall be paid as follows:

- (1) For Criminal Court – A minimum of four (4) hours at the overtime rate; and
- (2) For District Judge Court (also referred to as Local Magistrate Court) – A minimum of two (2) hours at the overtime rate.

(See AAA Case No. 55-360-0304-95, dated April 19, 1996)

(See AAA Case No. 55 360L 0027810, dated April 2011)

- b. When a Police Officer is required to appear in Court in Pittsburgh, and no Township vehicle is available for him to use to drive to Pittsburgh, the Township shall pay for the parking fee for the Officer's personal vehicle if the Officer first obtains permission from the Chief/Superintendent of Police to use his personal vehicle.

(See Award of 1999)

4. HOLIDAY PAY

Police Officers shall be paid for the following "holidays": New Year's Day, Good Friday, Easter Sunday, Memorial Day, the 4<sup>th</sup> of July, Labor Day, Veterans Day, Thanksgiving, Christmas Eve, Christmas Day and the Officer's Birthday. The "holiday" pay rate shall be double time, unless the Police Officer is regularly scheduled off or takes the day off, which shall then be paid at his/her regular rate. The Police Officer shall receive this "holiday" pay in a lump sum on the first pay period of December.

5. LONGEVITY PAY

- a. The annual longevity payment of Three Thousand (\$3,000.00) Dollars shall be paid to all current Police Officers with five (5) years or more of service.
- b. Police Officers shall have the option to keep current payment options or be paid a lump sum on their anniversary date.

- c. Any Police Officers hired after January 1, 2015 shall not be eligible for longevity payment until they have completed seven (7) years of full-time service.

(See AAA Case No. 55 360L 0027810, dated April 2011)

6. **DISABILITY BENEFITS**

In the event that a Police Officer is injured in the line of duty, the Township shall pay to such Police Officer the difference between his full salary and the amount he/she receives by way of Workmen's Compensation. This payment shall commence as of the effective date of the Police Officer's eligibility for Workmen's Compensation and continue until such time as his/her benefits under Workmen's Compensation/Heart and Lung Benefits are terminated.

(See AAA Case No. 55 39 0153 72 of 1973)

- a. Effective January 1, 2020, Off Duty Short Term disability pay entitlements of eligible Police Officers shall be increased to Sixty (60%) Percent of their salary a week up to One Thousand (\$1,000) Dollars per week.
- b. Effective January 1, 2020, Off Duty Long Term disability pay entitlements of eligible Police Officers benefits shall be increased Sixty (60%) Percent of their salary a month up to Five Thousand (\$5,000) Dollars per month.

(See AAA Case No. 55-L-360-00191-1, dated March 28, 2003.

**ARTICLE V  
TIME OFF**

1. **VACATION**

Vacations shall be selected by Police Officer seniority.

(See AAA Case No. 55-39-0153-72, dated of 1973)

Each Police Officer shall be entitled to a paid vacation(s) on continuous years of service as follows:

| YEARS OF SERVICE  | VACATION |
|-------------------|----------|
| 1. After 1 Year   | 1 Week   |
| 2. After 2 Years  | 2 Weeks  |
| 3. After 5 Years  | 3 Weeks  |
| 4. After 10 Years | 4 Weeks  |

|     |                |                 |
|-----|----------------|-----------------|
| 5.  | After 15 Years | 5 Weeks         |
| 6.  | After 21 Years | 5 Weeks, 1 Day  |
| 7.  | After 22 Years | 5 Weeks, 2 Days |
| 8.  | After 23 Years | 5 Weeks, 3 Days |
| 9.  | After 24 Years | 5 Weeks, 4 Days |
| 10. | After 25 Years | 6 Weeks         |

(See AAA Case No. 55-39-0153-72, of 1973; 1978 Agreement; 1989 Agreement)

In addition, one (1) week of existing vacation may be taken by a Police Officer a day at a time upon two (2) weeks notice to the Chief of Police by April 1<sup>st</sup> chosen by seniority and approved by the Chief of Police. Vacation may be requested after April 1<sup>st</sup> subject the approval by the Chief.

(See AAA Case No. 55-390-0127-93, dated July 26, 1993)

## 2. PERSONAL DAYS

At the start of new Police Officers hire date, each Police Officer shall be entitled to four (4) paid personal days per year.

(See 2006 Agreement)

## 3. BEREAVEMENT

Each Police Officer shall be entitled to the following paid leave:

- a. In the event of such Police Officer's immediate family which shall include his/her Spouse, Father, Mother, Mother-in-Law, Father-in-Law, Grandchild, Sister, Brother, Child, Grandmother, Grandfather or relative domiciled in the employee's household; three (3) days; and
- b. In the event of such Police Officer's Niece, Nephew, Spouse's Grandfather, Spouses Grandmother, Sister-in-Law or Brother-in-Law; one (1) day.

Such leave shall not be computed against the Police Officer's sick leave.

## 4. SICK LEAVE

- a. Each Police Officer shall be entitled to fourteen (14) paid sick days per year. Unused sick leave days may be accumulated and used in future years with full buy-back and/or use rights. The accumulation shall cease when the total of unused days is one hundred fifty (150).

(See 2006 Agreement and 1995 Agreement)

- b. Upon the retirement of a Police Officer, accumulated sick leave days may be taken without a doctor's statement or may be sold back to the Township.

(See 1988 Agreement)

## **ARTICLE VI HEALTH INSURANCE**

### **1. HEALTH CARE**

The Township shall provide Healthcare Coverage with United Healthcare for Two (2) year unless there is a Fifteen (15%) Percent increase the Township shall have the discretion to substitute a new Health Care Plan equal to or greater than the existing Plan during the term of this Agreement. The Township will provide coverage to Police Officers and his/her dependents, at no cost to the Police Officer.

Officers will contribute a percentage of their insurance premium as follows:

| 2020 | 2021 | 2022 | 2023 | 2024 |
|------|------|------|------|------|
| 1.5% | 1.5% | 2%   | 2.5% | 3%   |

(See AAA Case No. 55 360L 0027810, dated April 2011)

Should the Police Officer deny or refuse Healthcare Coverage, the Township shall pay that Police Officer Four Thousand (\$4,000.00) Dollars for each year that he/she denies or refuses such coverage. That Police Officer shall be required to submit proof of insurance through his/her spouse. The Four Thousand (\$4,000.00) Dollar buy-out for Healthcare Coverage shall be paid in one-lump sum on a date to be established by the Police Officer and the Township.

(See 2006 Agreement)

### **2. VISION AND DENTAL INSURANCE**

The Township shall provide and pay for family plan eye and dental health insurance coverage for the Police Officers.



3. **RETIRED FULL-TIME POLICE OFFICER COVERAGE**

Hospitalization coverage identical to that carried for a retired Full-Time Police Officer shall be carried for his/her spouse, at the expense of the Township, whenever any Full-Time Police Officer retires, said spousal coverage to be provided between the date of the retirement of the Police Officer, and the attainment by the Police Officer of the age of sixty-five (65) years or is otherwise covered by Medicare.

(See AAA Case No. 55-390-0062-90)

**ARTICLE VII  
LIFE INSURANCE**

1. The Township shall provide each Police Officer with Thirty-Five Thousand (\$35,000.00) Dollars in life insurance with double indemnity for accidental death at no cost to the Police Officer.

2. The Township shall provide, at its expense, a Five Thousand (\$5,000.00) Dollar life insurance policy or lump sum payment for retired Police Officers.

(See AAA Case No. 55 390 0127 93, dated July 26, 1993)

3. The Township shall provide satisfactory proof to each Police Officer that he/she is covered.

(See AAA Case No. 55 39 0153 93, dated of 1973 and 1978 Agreement)

**ARTICLE VIII  
FALSE ARREST INSURANCE**

1. **FALSE ARREST INSURANCE COVERAGE**

The Township shall provide False Arrest Insurance for each Police Officer, at no cost to the Police Officer. The Township shall provide satisfactory proof to each Police Officer that he/she is so covered.

(See AAA Case No. 55 39 0153 72, dated of 1973)

## **ARTICLE IX EQUIPMENT FOR DUTY**

### **1. GEAR**

Body Armor – Each regular Full-Time Police Officer shall be provided soft body armor (bullet proof/resistant) equipment which the Township shall purchase (for new officers) and shall replace (for each such officer) by the end of the Fifth (5<sup>th</sup>) year of its use by that Police Officer. Any such Police Officer electing to purchase any approved such equipment (initial or replacement) on his/her own shall be allowed to do so but shall be reimbursed by the Township for no more than Nine Hundred (\$900.00) Dollars of the amount paid therefrom, at that time.

(See AAA Case No. 55-L-360-00191-1, dated March 28, 2003 and 2006 Agreement)

### **2. UNIFORM ALLOWANCE**

Each Police Officer shall be entitled to the following clothing allowance and equipment allowance:

- a. Uniform and Cleaning– Eight Hundred Fifty (\$850.00) Dollars per year.

(See 2006 Agreement)

### **3. AMMUNITION ALLOWANCE**

The Township shall pay each Police Officer the sum of Thirty (\$30.00) Dollars per month for the purpose of purchasing ammunition and gun targets.

(See AAA Case No. 55 L 360 00011 99 W, dated December 29, 1999)

### **4. AIR-CONDITIONED VEHICLES**

Each Police Vehicle shall be equipped with air conditioning.

(See 1983 Agreement)

### **5. TRAINING EXPENSES**

A Police Officer may request permission from the Township to attend classes pertaining to police work. In the event such permission is given, the Township shall pay all expenses such as tuition and travel and shall also pay to that Police Officer the sum of Ten (\$10.00) Dollars per day to cover his personal expenses.

(See the Contract of 1999 – 2000 – 2001; and 1972 – 1973 Agreement)

6. **SPORTSMAN CLUB MEMBERSHIP**

The Township shall pay the dues for all Police Officers at the Forest Grove Sportsman Club.

(See AAA Case No. 55-360-0304-95, dated April 19, 1996)

**ARTICLE X  
RESIDENCY**

All Police Officers shall reside within a radius of up to Fifteen (15) air miles from the Municipal Building, including areas outside the border of Stowe Township.

(See AAA Case No. 55 360L 0027810, dated April 2011)

**ARTICLE XI  
WITNESS FEE AND COMPENSATION**

In accordance with the Fair Labor Standard Act, all officers are permitted to to take Compensatory Time off, whenever a Full-Time Police Officer is required to be in attendance before a District Magistrate or in a Court of record during off-duty time, he shall be compensated for such attendance in either one of two ways as set forth below, and as determined by the Township, but in accordance with the restriction set forth herein:

- a. All the time so spent shall be paid for at one and one-half (1 ½) times the Police Officers straight time rate of pay; or
  - b. The Police Officer will be given compensatory time off with pay at this straight time hourly rate, the amount of such compensatory time off to be one and one-half (1 ½) times the amount of time spent by the Police Officer in attendance before the District Magistrate or in the Court of record as the case may be; or
  - c. Accumulation of Compensatory Time will be permitted to be used by the end of the new calendar year. If the Officer does not use his/her Compensatory Time he/she will not be permitted to carry it over to the new following year and will be paid for said time at the end of the calendar year.
1. Compensatory Time, in lieu of overtime pay, for Court time, may be accrued by Full-Time Police Officers to a maximum of one hundred twenty (120) hours of compensatory time. This is not the maximum total for any

given year, but rather a maximum running total for the accrual of compensation pay. The total hours of compensatory time will be up to four hundred eighty (480) hours in accordance to the Fair Labor Standards Act (FLSA) for Police Officers.

2. Officers shall agree to offer all compensatory time to Part-Time Police Officers first. No Compensatory Time may be taken unless a Part-Time Police Officer is available to work the Compensatory Time shift.

(See AAA Case No. 55 360L 00278010, dated April 2011)

- d. The Township shall have the unilateral right to select which of the above methods it wishes to use to compensate the Police Officer, for such attendance, but if the Township fails to schedule compensatory time off pursuant to Option (b), the Township shall compensate the Police Officer pursuant to Option (a), such compensation to appear in the next pay check.
- e. There shall be four (4) hour minimum for all Criminal Court time and a two (2) hour minimum for Magistrate Court time.

## **ARTICLE XII GRIEVANCE PROCEDURE**

- a. The term "Grievance" shall mean any difference of dispute between the Township and any Police Officer with respect to the interpretation, application, claim or breach or any violation of any of the provisions of this Working Agreement.
- b. Should a Grievance arise, there shall be no suspension of work. The Grievance shall be processed in accordance with the Grievance Procedure. No order shall be disobeyed prior to completion of the Grievance Procedure.
- c. The Police Officer shall designate one of his members as a Grievance Representative to the Township.
- d. Any Police Officer having a Grievance shall first discuss the matter with his superior in the chain of command. Should the Grievance not be settled, the Police Officer may file his Grievance, in writing, within ten (10) days from the occurrence of the Grievance, with the Township Commissioner designated by the Board of Township Commissioners within seven (7) days of the meeting.
- e. Should the aggrieved Police Officer and the Grievance Representative be dissatisfied with the decision, they may jointly appeal the matter to Arbitration in

the manner set forth in Act III of June 24, 1968. The costs of the neutral Arbitrator, however, shall be borne by the Township and the Police Officer.

- f. The parties may, by mutual consent, may extend the time limits of each step.
- g. The Township shall not be obligated to pay the Grievance Representative or the aggrieved Police Officer for time spent in processing the Grievances, Grievance Meetings or Arbitration Hearings.

### **ARTICLE XIII SCHEDULING**

1. Officers will bid every four (4) months per shift by seniority provided that this provision shall not cause the Township to incur any overtime costs when new shifts go in to effect.

All other scheduling practices shall remain as is.

- a. The Chief of Police or his/her designee shall post a schedule for bidding no later than twenty-one (21) days prior to the effective date of each bidding period.
  - b. Patrol Officers shall start to bid their shift among the established shifts the first Monday of April, August and December in accordance with seniority.
  - c. For Patrol Officers, bid shift by seniority will be determined by an Officer's starting date as a regular member of the Stowe Police Department.
2. Shifts shall resume of 7:00 a.m. – 3:00 p.m; 3:00 p.m. - 11:00 p.m.; and 11:00 p.m. – 7:00 a.m. Additional shifts determined by need and at the discretion of the Chief may be added as a floating shift. Any hours covered by the floating shift that are entitled to shift differential pay shall be paid in accordance with this Agreement.

3. Each officer shall have two (2) connective days off a week determined by the Chief based on seniority.

- a. **Schedule Trades.** Officers may trade all or any part of a posted schedule, only if it does not change the shift size on the days and shifts changed. The Officers involved in a schedule trade will be paid the salary of their normal rank and no temporary or demotion with regard to salary shall occur as a result of a schedule trade. Any such schedule trade must be agreed upon by both Officers and the Chief must approve. This trade will be awarded as long as there is no cost to the Township.

(See AAA Case No. 55 360L 00278010, April 2011)

**ARTICLE XIV  
PENSION AND RETIREMENT BENEFITS**

The parties hereto agree that the present pension and retirement programs as prescribed by applicable State Law (Act 600 and Amendments) and all Provisions of the Stowe Township Ordinance shall continue in full force and effect as modified herein.

**Section A.**

1. "Final Monthly Average Salary Average" of said pension is to be calculated on the basis of the Employee's last thirty-six (36) months of employment immediately preceding termination of active employment. The Final Monthly Average Salary shall be calculated by taking into account only those periods during which a member/employee receives salary, as that term is defined in this section or those periods during which Workers' Compensation benefits are received, if applicable.
2. Monthly Retirement Amount – The normal monthly retirement benefit shall be equal to Fifty (50%) Percent of the Employee's final monthly average salary.
3. Survivor's Benefit – There shall be "survivor's benefit" to Fifty (50%) Percent of the participants benefit, payable to a surviving spouse for the remainder of the spouse's life. If there is no surviving spouse or if the spouse dies, the participants children would have equal shares in the benefit until the age of eighteen (18), or until age twenty-three (23) if attending college (minimum of seven (7) credits per semester).
4. Death of an Officer Prior to Vesting – Before the amendment of Act 600, if an Officer died prior to completing twelve (12) years of service, the surviving spouse or dependent children received nothing. Under Act 30, if an Officer dies prior to vesting his/her pension, the surviving spouse or, if the spouse is deceased, any child or children under the age of eighteen (18) or twenty-three (23) if attending college, is entitled to one hundred (100%) percent of the Officers employee contribution plus interest, unless the Officer has designated another beneficiary. This benefit is not available for the survivors of an Officer who died prior to April 17, 2002.
5. Killed in Service Benefit – Pension for families of members killed in service shall be calculated at one hundred (100%) percent of the Officer's salary at the time of death with said benefit funded or provided by the Commonwealth of Pennsylvania in accordance with the provisions of Act 51 of 2009.
6. Retirement Age – Employees shall be eligible for normal retirement after twenty-five (25) years of service and attainment of age fifty (50).

7. Police Pension Plan Contribution – Each Police Officer shall contribute:
  - a. 2015 - .5%, which would = 1.5%
  - b. 2016 - .5%, which would =2% Max
8. Vesting After Twelve (12) Years of Service – There shall be a provision for one hundred (100%) percent “vesting after twelve (12) years of service”, so that an eligible participant would receive a benefit at a normal retirement equal to their accrued benefit, which would be defined as fifty (50%) percent of the final monthly average salary calculated at the date of termination.
9. Length of Service Increment – In addition to any other pension or retirement coverage, additional retirement benefits may accrue to participants for each year of completion of twenty-six (26) years with the Stowe Township Police Department. The maximum additional benefit may not exceed One Hundred (\$100.00) Dollars per month.
10. Cost of Living Adjustment – Stowe Township hereby prescribes that cost of living (COLA) allowances shall be payable to retired members, however, such amount shall not exceed the percentage increase in the Consumer Price Index (CPI) from the year in which the police member last worked, provided further, that in no case shall the total police pension benefit exceed seventy-five (75%) percent of the salary for computing retirement benefits; and provided further, that the total cost of living increase shall not exceed thirty (30%) percent. No COLA shall be granted which would impair the actuarial soundness of the fund.
11. New Service Related Disability Benefit. Before the passage of Act 30, an Officer who suffered a permanent service-related disability was entitled to receive a disability pension benefit. The amount of the benefit was not specified and was subject to collective bargaining. Some Municipalities chose to provide a flat percentage regardless of service, for example, fifty (50%) percent of final average salary; other Municipalities elected to have a variable benefit based upon years of service, for example, two (2%) percent of an Officer’s final average salary for every year of service. Act 30 established a monthly service-related disability benefit of no less than fifty (50%) percent of the Officer’s salary at the time of disability. This benefit is not applicable retroactively to Officers who have already been honorably discharged with a service connected disability benefit which is less than fifty (50%) percent.
12. Intervening Military Service – A regularly appointed member of the police force who has been employed as such for at least six (6) months, and who enters active military service for the United States, must receive retirement credit for the period of active military service. To be eligible, the person must return to employment within six (6) months of separation from such military service and be ineligible to receive military retirement pay as a result of that service.

Section B.

**TOWNSHIP OF STOWE**

**STOWE TOWNSHIP RELATIVE TO THE ESTABLISHMENT AND MAINTENANCE OF MUNICIPAL POLICE PENSION PLAN TO AMEND CERTAIN PROVISIONS OF THE PENSION PLAN OR PROGRAM APPLICABLE TO THE POLICE OF SAID TOWNSHIP TO ADD A DEFERRED RETIREMENT OPTION PLAN (DROP).**

**BE IT ORDAINED AND ENACTED**, by the Board of Commissioners of Stowe Township and it is **HEREBY ORDANED AND ENACTED** by authority of the same:

Effective \_\_\_\_\_, except where a different date is specifically provided below, the Stowe Township Police Pension Plan is amended to add a new Section under **ARTICLE XIV (Pension and Retirement Benefits) Section B**, which shall provide as following:

**DEFERRED RETIREMENT OPTION PLAN (DROP)**

1. **Definition** – Unless otherwise specifically set forth in this Article XIV, the defined terms used herein shall have the meaning assigned to them in the remainder of the Plan.

**DROP** – Deferred Retirement Option Plan created as an optional form of benefit under the existing Stowe Township Police Pension Plan (3 Year DROP)

**DROP Account** – A separate ledger account created to accumulate the DROP pension benefit for a DROP Participant.

2. **Eligibility** – A Participant may enter the DROP on the 1<sup>st</sup> of the month following the attainment of the later of age fifty-three (53) and twenty-five (25) years of service and January, 2025. No Participant may enter the DROP during the first six (6) months of any calendar year.
3. **Written Election** – An eligible Participant in the Plan electing to participate in the DROP Program must complete and execute “DROP Election Form” prepared by Stowe Township President and/or Pension Plan Administrator, which shall evidence the DROP Participants participation in the DROP Program, the DROP participates election to forego active membership in the Plan and document the DROP participants rights and obligations under the DROP. The form must be signed by the DROP participant and the Chief Administrative Officer of the Plan and submitted to the Employer, at least thirty (30) days



prior to the date on which the DROP Participant elects to enter the DROP (Election Date). The DROP Election Form shall include an irrevocable notice to the Employer by the DROP Participant that the DROP Participant shall terminate from employment with the Employer effective on a specific date not more than three (3) years from the effective date of the DROP Participants entry in the DROP. In addition, all retirement documents required by the Plan Administrator must be filed and presented to the Stowe Township Board of Commissioners for approval of retirement and commencement of the monthly pension benefit. Once the retirement application has been approved by the Commissioners, it shall become irrevocable. A DROP Participation shall become effective the day following his Election Date.

After the DROP Participant enters the DROP Program, contribution to the Plan by the Participant will cease, and the amount of the monthly benefits will be frozen except for any applicable cost of living adjustments (COLA) increases awarded to all pension recipients.

Participants may consult a tax adviser of their choice prior to considering the DROP Program, as there may be serious tax implications and/or consequences to participating the DROP.

4. Limitation of the Pension Plan – After the effective date of the DROP Program the Participant shall no longer earn or accrue additional years of service for the pension purposes including the calculation of any service increment should such a service increment become available to active Participants in the Plan. The DROP Participants shall also forgo any growth in salary after the Election Date for the purpose of calculating retirement benefits under the Plan.
5. Ineligibility for Re-Enrollment in the DROP - Once a DROP Participant terminates he shall be ineligible to re-enroll in the DROP even if the former DROP Participant is reemployed by the local government with renewed active membership in the Plan.
6. Benefit Calculation – For all plan purposes, service of a DROP Participant shall remain as it existed on the effective date of commencement of a participation in the DROP program. Service thereafter shall not be recognized or used for the calculation or determination of any benefit payable by the Plan including any service increments that may be available. The Final Monthly Average Salary of the DROP Participant for pension calculation purposes shall remain as it existed on the effective date of commencement of participation in the DROP Program. Earnings or increases in earnings thereafter shall be recognized or used for the calculation or determination of any benefits payable to the Participant shall increase only as a result of living adjustments (COLAs) effective on or after the date of the DROP Participant participation in the DROP.
7. Payments to DROP Account – The monthly retirement benefits that would have been payable had the DROP Participant elected to cease employment and receive a retirement benefit shall upon the DROP Participant commence participation in the DROP Program,

be credited on the first day of each month into a separate ledger account established by the Plan Administrator to track and accumulate the Participants monthly pension benefits. This account shall be designed the DROP Account. The DROP Account shall not contain a guarantee interest rate but shall be credited with interest at the actual rate earned by the DROP Account, but shall not be less than actual rate earned shall not be less than 0% nor greater than 4.5% per annum, and shall be compounded monthly. The DROP Account shall be segregated account in to which each DROP Participant monthly retirement benefit shall be deposited. All earnings or losses credited to the DROP Account will be included in the final cash settlement. The DROP Account shall be invested in a Money Market Fund. All earnings or losses credited to the DROP Account will be included in the final cash settlement.

The DROP shall at all times comply with the annual benefit limitations of IRCs-415 and the regulations thereto.

8. Early Termination – A DROP Participant may withdraw from the DROP Program at any time and effectuate a complete retirement from service. No penalty shall be imposed for early termination of DROP Participants. However, the DROP Participant shall not be permitted to make any withdraws from the DROP Account until DROP participation has ended.
9. Payout – Upon the termination date set forth in the DROP Election Form or on such date as the DROP Participant withdraws or is terminated from the DROP Program, if earlier, the retirement benefits payable to the Participant shall be paid directly to the Participant and shall no longer be credited to the DROP Account. Within a period not to exceed forty-five (45) days following the actual termination of Participants employment with Stowe Township, the DROP Participants or the DROP Participants designed Beneficiary, where applicable, shall elect one of the following options: (1) the accumulated balance in the DROP Account, less any withholding tax required to be remitted to the Internal Revenue Service, shall be paid to the DROP Participant or his designated surviving Beneficiary in a single lump sum payment; or (2) the balance of the DROP Participants DROP Account shall be paid within forty-five (45) days directly to the custodian of an eligible retirement plan as defined in Section 402(c)(8)(b) of the Internal Revenue Code of 1986 (IRC) or in the case of an eligible rollover distribution to the surviving spouse of a deceased DROP Participant, an eligible retirement plan that is an individual retirement account or an individual retirement annuity as described in IRC §402(c)(9). If the DROP Participant or designated beneficiary fails to elect a method or payment within sixty (60) days after the DROP Participants termination date, the DROP Participants DROP Account shall be paid in a lump sum as provided above. All distribution of the DROP Account shall comply with IRC §401(a)(9).

Under this Section 11.9 as a distribute may elect to have an eligible rollover distribution paid directly to an eligible rollover distribution paid directly to an eligible retirement plan by the way of the direct rollover. For purposes of this section a “a distribute” included a

DROP Participant, a DROP Participant survivor as provided by Act 600 of 1956, 53 P.S. §767 et seq. or in lieu thereof, the DROP Participants designated Beneficiary and a DROP Participants former spouse is an alternate payee under a Qualified Domestic Relation Order. For purposes of this Section “eligible rollover distribution” has the meaning given the term by IRC §402(f)(2)(A) except that a qualified trust shall be considered an eligible plan only if it accepts that distributes eligible rollover distribution and, in the case of an eligible rollover distribution to a surviving spouse, an eligible retirement plan is an “individual retirement account” or “an individual retirement annuity” as those terms defined in the IRC §408(a) and (b).

10. **Death** – A DROP Participants eligibility to a participant in the DROP terminates upon the death of the DROP Participant. If a DROP Participant dies on or after the effective date of participation in the DROP but before the first monthly retirement benefit due the DROP Participant for that month has been credited to his DROP Account. The Plan shall pay the monthly retirement benefit as though the DROP Participant has not elected DROP participation and had dies after the DROP Participants effective date of retirement but before receipt of the DROP Participants first regular retirement benefit. If a DROP Participant dies while participating in the DROP and after his monthly retirement benefits have begun to have been credited to his DROP Account, the monthly retirement benefit credited to the DROP Participants DROP Account during the month of the DROP Participants death shall be the final monthly retirement benefit from the Plan credited to his DROP Account.

Except for those benefits specifically payable as a result of death incurred on the course of performing a hazardous public duty, the survivor of the DROP Participant who dies shall not be eligible to receive retirement system death benefits payable in the event of the death of an active member. The DROP Participant survivor(s) shall be eligible to receive benefits normally payable in the event of the death of a retired participant.

11. **Disability** – If a DROP Participant becomes eligible for a disability benefit from the plan and terminates employment, the monthly non-disability retirement benefit of the DROP Participant shall terminate.
12. **Eligibility for other Benefits** – Except for Benefits specifically foregone by the DROP Participant pursuant to Section 11.4, a DROP Participant shall be eligible for the employee benefits provided to active employees that is appended to this Agreement.
13. **Eligibility for Statutory Benefits** – A DROP Participant shall be eligible for all preretirement benefits for employs otherwise provided by law including, but not limited to the following:
  - The Workers Compensation Act (the Act of June 2, 1915 (P.L. 736, No. 338));
  - The Enforcement Officer Disability Benefits Law (the Law of June 28, 1935 (P.L. 477, No. 193));

- The Unemployment Compensation Law (the Act of December 5, 1936 2<sup>nd</sup> Sp. Sess., 1937 (P.L. 2897, No. 11));
  - The Emergency and Law Enforcement Personnel Death Benefits Act (the Act of June 24, 1976 (P.L. 424, No. 101));
  - The Public Safety Officers' Benefit Act of 1976 (Public Law 94-430, 42 U.S.C. §90, Stat. 1347).
14. Designation of Beneficiary – A DROP Participant may designate a DROP beneficiary who shall be entitled to apply for and receive the DROP Participants DROP Account in the event of the DROP Participants death while participating in the DROP. In the event that a DROP Participant does not designate a Beneficiary and dies while participating in the DROP, his DROP Account will be paid to his survivor(s) as determined under Act 600 of 1956 and if no such survivors exist, then to his Estate.
  15. Amendment – Any Amendment to the DROP shall be consistent with the provisions covering deferred retirement option plans set forth in any applicable Collective Bargaining Agreement or state or federal law and shall be binding upon all future participants and upon all DROP Participants who have balance in their DROP Accounts.
  16. Taxation, Attachment and Assignment – Except as provided in this Section, the right of a DROP Participant to any benefit or right accrued or accruing under the provisions of this Article XIV and moneys in the DROP Participants DROP Account are exempt from any State or Municipal tax, levy and sale, garnishment, attachment, spouse election or any other process whatsoever. Rights and benefits under this Article XIV shall be subject to forfeiture as provided by the Public Employees Forfeiture Act (the Act of July 8, 1978 (P.L. 752, No. 140)). Forfeitures under this Section or under any other provisions of law may not be applied to increase the benefits that any DROP Participant otherwise would receive under this Article XIV shall be subject to attachment in favor of an alternate payee as set forth in a Qualified Domestic Relations Order.
  17. Trust Requirement – A DROP Participants DROP Account shall be held in trust for the exclusive benefit of Plan Participants who are or were DROP Participants and for their beneficiary.
  18. Severability – The provisions of this Article XIV shall be severable, and if any of its provisions shall be held to be unconstitutional or illegal, the validity of any of the remaining provisions of this Article XIV shall not be affected thereby. It is hereby expressly declared as the intent of the Township that this Article XIV has been adopted as if such unconstitutional or illegal provision or provisions have not been included herein.
  19. Auditor General Findings – If the Auditor General issues a finding of noncompliance with the provision of Act 44 of 2009 that govern this DROP, the Township shall be authorized

to reform this Article XIV to bring into compliance with the DROP within ninety (90) days of the date of the Auditor General's finding becomes final.

## **ARTICLE XV PRIOR ARBITRATION AWARDS AND AGREEMENTS**

Any other terms, conditions, and provisions that are still in effect from the various Arbitration Decision, Arbitration Awards and Agreements, but may not have been specifically set forth in this document are hereby incorporated herein by reference as if fully set forth herein verbatim. Should the parties deem it necessary, those terms, conditions and provisions may be added to this document by further written amendment thereto.

## **ARTICLE XVI**

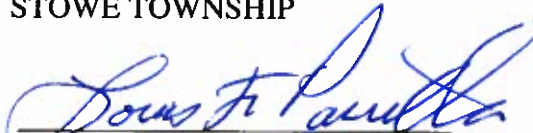
IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have hereunto set their hands and seals. Each party hereto acknowledges receipt of a duly executed original of this Working Agreement.

ATTEST:



Nick Martini  
Township Secretary

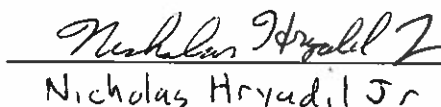
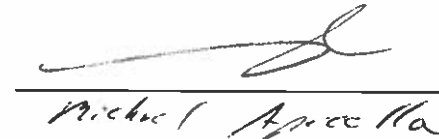
STOWE TOWNSHIP



Robin Parrilla  
Chairman, Board of Commissioners

ATTEST:

STOWE TOWNSHIP  
POLICE DEPARTMENT

  
Nicholas Hryadil Jr  
Michael Apicella