

**BOROUGH OF ALBURTIS
LEHIGH COUNTY, PENNSYLVANIA**

Ordinance No. 374

(Duly Adopted October 13, 1999)

AN ORDINANCE AMENDING THE BOROUGH OF ALBURTIS NONUNIFORMED PENSION PLAN AND TRUST BY INCREASING THE AMOUNT TO BE ALLOCATED TO THE EMPLOYER CONTRIBUTION ACCOUNT OF EACH QUALIFIED RECIPIENT EACH YEAR FROM 4.65% OF COMPENSATION TO 7.00% OF COMPENSATION.

WHEREAS, the Borough of Alburdis has established a pension plan for its nonuniformed employees; and

WHEREAS, by Ordinance 322, adopted December 13, 1995, Borough Council converted the Borough of Alburdis Nonuniformed Pension Plan and Trust from a defined benefit plan to a defined contribution plan; and

WHEREAS, the Borough Council desires to increase the amount to be allocated each year under the Plan to the Employer Contribution Account of each Qualified Recipient from 4.65% of Compensation to 7.00% of Compensation; and

WHEREAS, prior to the adoption of this Ordinance the Council reviewed the following cost estimate provided by the Borough Solicitor of the effect of the changes made herein, as required by Section 305(d) of the Municipal Pension Plan Funding Standard and Recovery Act, 53 PA. STAT. ANN. § 895.305(d):

Under the existing Plan, the annual Borough contribution to the plan is equal to 4.65% of the compensation of active participants for the portion of the year that they were active participants, plus any administrative expenses to be paid from the Plan rather than directly by the Borough. The future Borough contribution rate under the amendment proposed by this Ordinance is 7.00% of the compensation of active participants for the portion of the year that they were active participants, plus any administrative expenses to be paid from the Plan rather than directly by the Borough.

Based on the best current estimates, the total 1999 compensation of active participants for the portion of the year that they are active participants is \$131,953.00; the estimated administrative expenses to be paid from the Plan in 1999 are \$800.00; the total 2000 compensation of active participants for the portion of the year that they are active participants is \$159,309.00; and the estimated administrative expenses to be paid from the Plan in 2000 are \$0.00.

Accordingly, the effect of the amendment proposed by this Ordinance is to increase the 1999 financial requirements of the Plan from approximately \$6,935.81 to approximately \$10,036.71, and the 2000 financial requirements of the Plan from approximately \$7,407.87 to approximately \$11,151.63. In each year, the financial requirement will increase by 2.35% of the compensation of active participants.

NOW, THEREFORE, be it **ORDAINED** and **ENACTED** by the Borough Council of the Borough of Alburty, Lehigh County, Pennsylvania, that Section 501 of Ordinance 322 (relating to Nonuniformed Pension Plan) be amended as follows (with additions indicated by double underlining, and deletions by ~~strike-outs~~):

§ 501 Annual Allocation.

Subject to the provisions of Article VII (relating to Maximum Additions), Section 504(b) (relating to Uniformed Service), and Section 505 (relating to Suspended Employer Contribution Account), as of the last day of each Plan Year, the Employer Contribution Account of each Qualified Recipient (see Section 502(a)) shall be credited with an amount equal to:

- (a) For the 1996, 1997, and 1998 Plan Years: 4.65% of the Qualified Recipient's Compensation for the portion of the Plan Year during which he was an Active Participant; or
- (b) For the 1999 and Subsequent Plan Years: 7.00% of the Qualified Recipient's Compensation for the portion of the Plan Year during which he was an Active Participant.

DULY ORDAINED and **ENACTED** by the Borough Council of the Borough of Al-
burtis, this 13th day of October, 1999, in lawful session duly assembled.

**BOROUGH COUNCIL
BOROUGH OF ALBURTIS**

Steven R. Hill, President

Attest:

Louise Stahley, Secretary

AND NOW, this 13th day of October, 1999, the above Ordinance is hereby
APPROVED.

Ronald J. DeIaco, Mayor