



*City of Bethlehem Memorandum*

**TO:** Adam R. Waldron, President of Council

**FROM:** Mark W. Sivak, Director of Budget & Finance *mws*

**DATE:** June 20, 2019

**SUBJECT:** PMRS Ordinance

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Attached is an ordinance that PMRS has asked the City to pass.

The ordinance is needed to authorize a plan amendment. The reason for needing the amendment is to reflect the pre-retirement death benefit allowed under the PMRS plan. This was in the plan document for employees hired before October 2, 2013 but it was erroneously removed in the separate plan document that was created for employees hires hired on or after October 2, 2013.

I am including a copy of plan amendment for City Council's reference.

If you have any questions or need further information please let me know.

cc: Mayor Donchez  
Members of Council  
E. Evans  
B. Leeson  
J. Spirk

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF BETHLEHEM CITY, NORTHAMPTON 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 BETHLEHEM CITY, NORTHAMPTON COUNTY, AS FOLLOWS:

THE COUNCIL OF THE CITY OF BETHLEHEM DOES HEREBY ORDAIN AND ENACT THE FOLLOWING ORDINANCE:

SECTION I. Bethlehem City (the City), 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 City 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 City effective as of the date specified in the adoption agreement (the Contract).

SECTION III. The City acknowledges that by passage and adoption of this Ordinance, the City 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 City in accordance with the Retirement Law and the Municipal Pension Plan Funding Standard and Recovery Act. The City hereby assumes all liability for any unfundedness created due to the benefit structure set forth in the Contract.

SECTION V. The City 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.

SECTION VII. All ordinances and part of Ordinances inconsistent herewith be, and the same are hereby repealed.

Sponsored by \_\_\_\_\_

\_\_\_\_\_

PASSED finally in Council on the      day of      , 2019.

\_\_\_\_\_  
President of Council

ATTEST:

\_\_\_\_\_

This Ordinance approved this      day      , 2019.

\_\_\_\_\_  
Mayor



**PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM  
DEFINED BENEFIT PLAN  
Adoption Agreement Amendment**

The undersigned, **City of Bethlehem, Pennsylvania** ("Municipality"), 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**

<b>Amendment Effective Date:</b>	<b>January 1, 2020</b>
<b>Adoption Agreement Effective Date:</b>	<b>January 1, 2020</b>
<b>Application:</b>	<b>General</b>
<b>Amendment Expiration Date:</b>	<b>N/A</b>
<b>General Description:</b>	<b>Establishes the Death Benefit eligibility for Members with an Employment Commencement Date or Re-Employment Commencement Date on or after October 2, 2013.</b>
<b>Affected Members:</b>	<b>All Members with an Employment Commencement Date or Re-Employment Commencement Date on or after October 2, 2013.</b>

**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.

**9.01 PRE-RETIREMENT DEATH BENEFIT.**

**Offering of Pre-Retirement Death Benefit**

- ☐ [ -- ] Not Offered (Distribution of Minimum Death Benefit only)
- ☒ [ X ] Offered to a Member who has met the requirements: (Select all that apply)
  - ☒ [ X ] To receive a Superannuation Retirement Pension under Section 5.01
  - ☒ [ X ] Attains age fifty-five (55)
  - ☐ [ -- ] Of minimum Vesting Service under Section 8.05
  - ☒ [ X ] Completion of **twenty (20)** Years of Vesting Service under Section 8.05

**[Signatures on the following page]**



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:

**BETHLEHEM CITY**

BY \_\_\_\_\_  
Controller Date

BY \_\_\_\_\_  
Mayor Date

ATTEST

**PENNSYLVANIA MUNICIPAL  
RETIREMENT BOARD**

BY: \_\_\_\_\_  
Secretary

BY \_\_\_\_\_  
Board Chair

DATE: \_\_\_\_\_

Approved as to form and legality:

BY: \_\_\_\_\_  
Chief Counsel, PMRS

BY \_\_\_\_\_  
Office of General Counsel

BY: \_\_\_\_\_  
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.**