

ORDINANCE NO. _____

AMENDMENT TO THE

**TOWNSHIP OF HAMPTON
GENERAL EMPLOYEES' PENSION PLAN
(as amended and restated, effective May 1, 2017)**

AN ORDINANCE OF THE TOWNSHIP OF HAMPTON RELATIVE TO THE ESTABLISHMENT AND MAINTENANCE OF EMPLOYEES PENSION, ANNUITY, INSURANCE AND BENEFIT FUND OR FUNDS, TO AMEND CERTAIN PROVISIONS OF THE PENSION PLAN OR PROGRAM APPLICABLE TO THE EMPLOYEES OF SAID TOWNSHIP:

WHEREAS, the Township of Hampton (the "Township") has previously enacted an Ordinance establishing the Township of Hampton General Employees' Pension Plan (the "Plan"); and

WHEREAS, the Plan was totally amended and restated, effective May 1, 2017; and

WHEREAS, the Township reserved the right to amend the Plan pursuant to section 11.01; and

WHEREAS, the Township now desires to amend the plan to clarify that benefits paid to a Defined Benefit plan participant and/or their beneficiary shall be no less than the value of the participant's accumulated member contributions with interest at retirement; and

WHEREAS, the Township also desires that the plan be amended to correct the vesting provision of the Money Purchase Pension Plan to conform with its original intent; and

WHEREAS, the Township also desires to amend the plan to increase the rate of employer contribution to the Money Purchase Pension Plan for participants with more than ten years of service based on the terms of the union contract;

BE IT ORDAINED AND ENACTED by the Township Council and it is HEREBY ORDAINED AND ENACTED by authority of the same:

Section 7.03 - Death of a Participant After Retirement shall be amended by adding the following sentence to the end of said section:

Notwithstanding the preceding, should the total monthly benefits paid to the Participant at the time of death under the Normal Form of payment, or the total combined monthly benefits paid to the Participant and Beneficiary under a Joint and Survivor Annuity Option, be less than the Participant's Accumulated Contributions, a lump sum equal to the Accumulated Contributions less total benefits paid to the Participant and Beneficiary shall be paid to the surviving Beneficiary.

Effective January 1, 2016, sections A-1.06, A-1.15 and A-8.02 shall be amended in their entirety by deleting said sections and substituting the following new sections A-1.06, A-1.15 and A-8.02:

A-1.06 “Early Retirement Age” shall mean the date on which the Participant attains age sixty-two (62) and completes one (1) Year of Service.

A-1.15 “Normal Retirement Age” shall mean the earlier of: a) the date on which the Participant attains age sixty-four (64) and completes one (1) Year of Service, or b) the date on which the Participant attains age sixty (60) and completes twenty-five (25) Years of Service.

A-8.02 Deferred Vested Interests. The Participant’s vested interest in his/her Employer Percent of Pay Contribution Account shall be determined based on the following table as of any date of reference:

<u>Participant’s Years of Service</u>	<u>Participant’s Vested Percentage</u>
Less than one (1)	0%
One (1) or more	100%

Effective January 1, 2023, section A-3.01(b) shall be amended in its entirety by deleting said section and substituting the following new section A-3.01(b):

(b) Employer Percent of Pay Contributions. The Employer shall contribute an amount equal to one percent (1.0%) of the Participant’s Compensation from the Participant’s date of hire with the Employer through the end of the fourth full calendar year of the Participant’s employment. Beginning with the fifth full calendar year of the Participant’s employment and continuing through the date that the Participant completes ten (10) Years of Service, the Employer shall contribute an amount equal to two percent (2.0%) of the Participant’s Compensation. Effective the day following the date the Participant completes ten (10) Years of Service, the Employer Percent of Pay Contribution rate shall increase to three percent (3.0%) of the Participant’s Compensation.

ORDAINED AND ENACTED this _____ day of _____, 2022.

ATTEST:

TOWNSHIP OF HAMPTON

Municipal Manager

By: _____
President of Council