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TOWNSHIP OF UPPER MAKEFIELD

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWNSHIP OF UPPER MAKEFIELD, AMENDING CHAPTER 1, PART 7, NONUNIFORMED EMPLOYEES PENSION PLAN ORDINANCE, DELETING PART 7 AND UPDATING AND RESTATING THE TERMS AND CONDITIONS OF THE NONUNIFORMED EMPLOYEES PENSION PLAN AND PROGRAM, PROVIDING FOR PARTICIPATION, CONTRIBUTIONS, RETIREMENT BENEFITS, DEATH BENEFITS AND ADMINISTRATION OF THE NONUNIFORMED PENSION FUND; AND REMOVING EXISTING ORDINANCE PROVISIONS RELATING TO OPERATIVE PROVISIONS OF THE DEFINED CONTRIBUTION PLAN AND REPLACING THEM BY REFERENCE TO THE FULL PLAN DOCUMENT; AND PROVIDING FOR AN EFFECTIVE DATE OF JANUARY 1, 2027

WHEREAS, the Township of Upper Makefield, Bucks County, Pennsylvania, established a retirement program effective December 1, 1966, pursuant to ordinance for the benefit of the Township's non-police employees and their beneficiaries; and

WHEREAS, the Plan has been amended thereafter from time-to-time pursuant to various ordinances, including, but not limited to:

Ordinance No. 141	August 3, 1988
Ordinance No. 149	July 19, 1989
Ordinance No. 243	December 19, 2001
Ordinance No. 244	December 19, 2001;
Ordinance No. 282	February 20, 2008
Ordinance No. 284	June 4, 2008
Ordinance No. 286	July 16, 2008
Ordinance No. 326	June 7, 2022

WHEREAS, the Board of Supervisors retained the right to amend the Plan; and

WHEREAS, the Board of Supervisors wants to facilitate the administration of the Plan by completely amending and restating the Plan to set forth the provisions thereof in a single

document for purposes of incorporating certain changes as a result of ordinance consolidation and clarity; and

WHEREAS, the Board of Supervisors intends that the Plan shall meet the requirements for government plans pursuant to the Internal Revenue Code of 1986, as amended, and the applicable laws of the Commonwealth of Pennsylvania.

NOW, THEREFORE, the Board of Supervisors hereby ordains:

ARTICLE I. NON-UNIFORM DEFINED BENEFIT PLAN

The Plan now known as the "Upper Makefield Township Pension Plan and Trust for Non-Police Employees" is hereby amended and restated in its entirety, effective January 1, 2027, as follows:

§701. DEFINITIONS.

The following words and phrases as used in this Plan shall have the meaning set forth in this Article, unless a different meaning is otherwise clearly required by the context:

ACCRUED BENEFIT – shall mean, as of any given date, the Participant's projected Normal Retirement Benefit, determined under §704.2, calculated based on the Participant's Average Monthly Compensation and years of Credited Service as of the date of determination.

The Accrued Benefit shall not exceed the maximum limitation, determined as of the date of computation, provided under §704.6. All Accrued Benefits are subject to all applicable limitations, reductions, offsets, and actuarial adjustments provided pursuant to the terms of the Plan prior to the actual payment thereof.

ACT - shall mean the Municipal Pension Plan Funding Standard and Recovery Act which was enacted as Act 205 of 1984, as amended, 53 P.S. Sec. 895.101 et seq.

ACTUARIAL EQUIVALENT - shall mean two (2) forms of payment of equal actuarial present value on a specified date. The actuarial present value shall be determined by use of the UP-1984 Mortality Table and six (6) percent interest unless otherwise specifically provided herein.

ACTUARY - shall mean the person, partnership, association or corporation, which at any given time is serving as Actuary, provided that such Actuary must be an "Approved Actuary" as defined in the Act.

AUTHORIZED LEAVE OF ABSENCE - shall mean any leave of absence granted in writing by the Employer for reasons including, but not limited to, accident, sickness, pregnancy or temporary disability, education, training, jury duty or such other reasons as may necessitate authorized leave from active employment. Authorized Leave of Absence shall include any period of absence from employment for the purpose of serving in the Armed Forces of the United States of America, provided the Employee returns to

employment at the time and under the circumstances which provide re-employment rights pursuant to Federal or State law.

AVERAGE MONTHLY COMPENSATION - shall mean shall mean the average of the Compensation received by a Participant during the final thirty-six (36) months of Continuous Employment immediately preceding retirement or other termination of employment

BENEFICIARY - shall mean the person or entity designated in writing by the Participant to receive any benefits, which may be due should the Participant die prior to becoming entitled to a retirement benefit. In the event that a Participant does not designate a Beneficiary or the Beneficiary does not survive the Participant, the Beneficiary shall be the surviving spouse, or if there is no surviving spouse, the issue, per stirpes, or if there is no surviving issue, the estate; but if no personal representative has been appointed, to those persons who would be entitled to the estate under the intestacy laws of the Commonwealth of Pennsylvania if the Participant had died intestate and a resident of Pennsylvania.

BOARD - shall mean the Board of Supervisors of the Township of Upper Makefield.

CHIEF ADMINISTRATIVE OFFICER - shall mean the person designated by the Board who has the primary responsibility for the execution of the administrative affairs for the Plan.

CODE - shall mean the Internal Revenue Code of 1986, as amended.

COMMITTEE - shall mean the Pension Committee as determined pursuant to §708.2.

COMMONWEALTH - shall mean the Commonwealth of Pennsylvania.

COMPENSATION - shall mean the basic rate of remuneration paid to an Employee by the Employer for services rendered as an Employee. Compensation shall include any stipend received by an Employee from Upper Makefield Township for services as a firefighter and temporary foreman pay but shall exclude any extra or additional forms of remuneration such as overtime, amounts paid as allowance or reimbursement for expenses, payments made by the employer to this or any other employee welfare or benefit plan on behalf of its Employees and bonuses or other items of extra income. Compensation shall be limited on an annual basis to the amount specified for government plans pursuant to Code §401(a)(17), as adjusted under Code §415(d).

CONTINUOUS EMPLOYMENT - shall mean an Employee's period or periods, of continuous uninterrupted employment with the Employer. For purposes of this section, employment shall not be deemed interrupted by any periods of Authorized Leave of Absence expressly granted by the Employer. In the event an Employee does not return to employment at the conclusion of an Authorized Leave of Absence, the Employee shall be

deemed to have terminated employment as of the last day on which the Employee rendered active service for the Employer.

CREDITED SERVICE - shall mean a Participant's completed years and months of Continuous Employment with the Employer.

Credited Service shall also include any period of qualified military service as determined under the requirements of Chapter 43 of Title 38, United States Code, provided that the Participant returns to employment following such period of qualified military service, and the Participant makes payment to the Plan in an amount equal to the Participant Contributions that would otherwise have been paid to the Plan during such period of qualified military service. The amount of Participant Contributions shall be based upon an estimate of the Compensation that would have been paid to the Participant during such period of qualified military service as determined by the average Compensation paid to the Participant during the twelve (12) months immediately preceding the period of qualified military service. The amount of Participant Contributions calculated must be paid into the Plan before the end of the period that begins on the date of re-employment and ends on the earlier of the date that ends the period that has a duration of three (3) times the period of qualified military service or the date that is five (5) years after the date of re-employment.

EARLY RETIREMENT AGE - shall mean the date on which the Participant has attained a minimum age of fifty-five (55) and completed twenty (20) years of Credited Service with the Employer.

EARLY RETIREMENT DATE - shall mean the first (1st) day of the month coincident with or next following the date on which a Participant who has attained Early Retirement Age ceases employment and chooses to commence receipt of retirement benefits prior to the Normal Retirement Date.

EMPLOYEE - shall mean any non-uniform Employee hired before January 1, 2012 and any non-uniform union employee hired on December 31, 2026 or earlier, who is employed by the Employer, on a regular full-time permanent basis other than a police officer, for this purpose, a full-time Employee shall mean an Employee who is employed by the Employer more than five (5) months per each calendar year and employed more than thirty-five (35) hours per week.

EMPLOYER - shall mean Township of Upper Makefield, Bucks County, Pennsylvania.

EMPLOYMENT COMMENCEMENT DATE - shall mean the date on which an Employee first completes an hour of service for the Employer.

INSURER or **INSURANCE COMPANY -** shall mean a legal reserve life insurance company authorized to do business in the Commonwealth of Pennsylvania.

LATE RETIREMENT DATE - shall mean the first (1st) day of the month coincident with or next following the date on which the Participant retires from employment subsequent to their Normal Retirement Date.

MINIMUM MUNICIPAL OBLIGATION - shall mean the minimum obligation of the municipality as determined by the Actuary pursuant to the provisions of the Act.

NORMAL RETIREMENT AGE - shall mean the date on which the Participant has attained age sixty-five (65).

NORMAL RETIREMENT DATE - shall mean the first (1st) day of the month coincident with or next following the date on which the Participant has attained Normal Retirement Age.

NOTICE or **ELECTION** - shall mean a written document prepared in the form specified by the Plan Administrator. If such notice or election is to be provided by the Employer or the Plan Administrator, it shall be mailed in a properly addressed envelope, postage prepaid, to the last known address of the person entitled thereto, on or before the last day of the specified notice or election period. If such notice or election is to be provided to the Employer or the Plan Administrator, it must be received by the intended recipient on or before the last day of the specified notice or election period.

PARTICIPANT - shall mean an Employee who has met the eligibility requirements to participate in the Plan as provided in §702.1 and who has not for any reason ceased to be a Participant hereunder.

PENSION FUND or **FUND -** shall mean the Employee Pension Fund administered under the terms of this Plan and which shall include all money, property, investments, Policies and Contracts standing in the name of the Plan.

PLAN - shall mean the Plan set forth herein, as amended from time-to-time and designated as the Upper Makefield Township Pension Plan and Trust for Non-Police Employees.

PLAN ADMINISTRATOR or **ADMINISTRATOR -** shall mean the Board of Supervisors of Upper Makefield Township or any individual or committee to whom the Board delegates such function.

PLAN YEAR - shall mean the twelve (12) month period beginning on January 1 and ending December 31 of each year.

POLICY or **CONTRACT -** shall mean a retirement annuity or retirement income endowment Policy (or a combination of both) or any other form of insurance Contract or Policy which shall be deemed appropriate in accordance with the provisions of applicable law.

RESTATEMENT DATE - shall mean January 1, 2008, the date upon which this amendment and restatement of the Plan becomes effective.

§702. PARTICIPATION IN THE PLAN.

1. Eligibility Requirements. Each Employee shall be eligible to participate in the Plan as of the Participant's Employment Commencement date, provided Employee is an Employee of Employer on such date and all prerequisites to participation under this Plan shall have been fulfilled, including, but not limited to, completion of all forms required by the Plan Administrator. Each Employee who was a Participant in the Plan on the day prior to the Restatement Date shall continue to be a Participant on and after the Restatement Date, subject to the terms and conditions of the Plan as set forth herein.

2. Re-employment. If the employment of an Employee is terminated and he is subsequently rehired, he shall become eligible to be a Participant in accordance with the provisions of §702.1 herein.

3. Change in Status. A Participant who remains in the service of the Employer but ceases to be an Employee eligible for participation hereunder, shall have no further benefit accruals occur until the individual again qualifies as a Participant hereunder eligible to resume such accrual of benefits.

4. Leave of Absence. During any Leave of Absence that is not an Authorized Leave of Absence, a Participant shall be deemed an inactive Participant and shall not be given any credit for years of Credited Service for vesting, nor shall he continue to accrue any benefits hereunder. If the Employee is not re-employed by the expiration of the Leave of Absence, participation in the Plan shall cease on the date on which the Leave of Absence commenced. During any Authorized Leave of Absence, a Participant shall continue to receive credit for years of Credited Service for vesting but Credited Service shall not accrue unless expressly authorized by the Employer as part of the terms and conditions of such Authorized Leave of Absence.

5. Recordkeeping. The Employer shall furnish the Plan Administrator with such information as will aid the Plan Administrator in the administration of the Plan. Such information shall include all pertinent data on Employees for purposes of determining their eligibility to participate in this Plan.

6. Designation of Beneficiary. Any new, full-time Employee who becomes a Participant hereunder shall provide a written Notice which designates the Beneficiary or Beneficiaries to the Plan Administrator at the time participation commences. The Participant's election of any such Beneficiary or Beneficiaries may be rescinded or changed, without the consent of the Beneficiary or Beneficiaries, at any time, provided the Participant provides the Plan Administrator with written Notice of the changed designation and such election is not contrary to applicable law.

§703. CONTRIBUTIONS.

1. Participant Contributions. Participants are neither required nor permitted to contribute to the Plan.

2. Employer Contributions. The Actuary, in accordance with the Act, shall determine the Minimum Municipal Obligation of the Employer. The Employer shall pay into the Pension Fund, by annual appropriations or otherwise, the contributions necessary to satisfy the Minimum Municipal Obligation. Notwithstanding the foregoing, nothing contained herein shall preclude the Employer from contributing an amount in excess of the Minimum Municipal Obligation.

3. State Aid. General Municipal Pension System State Aid, or any other amount of State Aid received by the Employer in accordance with the Act from the Commonwealth may be deposited into the Pension Fund governed by this Plan in amounts determined by the Board, and shall be used to reduce the amount of the Minimum Municipal Obligation of the Employer.

4. Employer Reversion. At no time shall it be possible for the Plan assets to be used for, or diverted to, any purpose other than for the exclusive benefit of the Participants and their Beneficiaries, including payment of any reasonable Plan expenses. Notwithstanding the foregoing, any contributions made by the Employer may be returned to the Employer if the contribution was made due to a mistake and the contribution is returned within one (1) year of the date on which the discovery of the mistaken payment of the contribution was made or reasonably should have been made or the Plan is terminated, as provided in Article X.

§704. RETIREMENT BENEFITS.

1. Normal Retirement. Each Participant shall be entitled to a Normal Retirement Benefit after retirement on or after the Participant has attained Normal Retirement Age.

2. Normal Retirement Benefit. Each Participant who shall become entitled to a benefit pursuant to §704.1 shall receive a benefit paid monthly in the Normal Form in an amount which shall be equal to two (2) percent of ~~Base~~ Average Monthly Compensation multiplied by years of Credited Service.

3. Late Retirement. A Participant may continue in employment beyond the attainment of Normal Retirement Age subject to the Employer's rules and regulations regarding

retirement age. If a Participant who has met the requirements of §704.1 continues in employment beyond Normal Retirement Age, there shall be no retirement benefits paid until employment ceases and the Participant's retirement actually begins. The retirement benefit of a Participant who continues employment after attainment of Normal Retirement Age shall be calculated in accordance with §704.2 on the basis of the Average Monthly Compensation and years of Credited Service as of such Participant's Late Retirement Date. Such benefit payments shall commence on the Participant's Late Retirement Date.

4. Early Retirement. A Participant shall be entitled to an Early Retirement Benefit after retirement on or after attainment of Early Retirement Age.

5. Early Retirement Benefit. Each Participant who shall become entitled to a benefit pursuant to §704.4 must make application in writing to the Board to receive such a benefit. The early retirement benefit shall become effective as of the date the application is approved by the Board or the date designated on the application, whichever is later. The benefit shall be in an amount equal to the Participant's Accrued Benefit determined as of the Early Retirement Date commencing on the Participant's Normal Retirement Date, or the Participant's Accrued Benefit determined as of the Early Retirement Date and actuarially reduced to reflect that it will commence on the effective date of the Participant's Early Retirement according to the following schedule:

Years Prior to Normal Retirement Date	Reduction Factor
1	93%
2	86%
3	79%
4	72%
5	65%
6	62%
7	59%
8	56%
9	53%
10	50%

Years of Service prior to Normal Retirement Date shall mean years and completed months from the Early Retirement Date to the Normal Retirement Date. The reductions above shall be calculated to the completed month by linear interpolation.

6. Maximum Benefit Limitations. Notwithstanding any provision of this Plan to the contrary, no benefit provided under this Plan attributable to contributions of the Employer shall exceed, as an annual amount, the amount specified in Code §415(b)(1)(A) as adjusted pursuant to Code §415(d), assuming the form of benefit shall be a straight life annuity (with no ancillary benefits). The limitations described in this §704.6 shall be governed by the following conditions and definitions:

A. Benefits paid or payable in a form other than a straight life annuity (with no ancillary benefits) shall be adjusted on an actuarially equivalent basis in accordance with applicable regulations to determine the limitation contained herein.

B. In the case of a benefit which commences prior to the attainment of age sixty-two (62) by the Participant, the limitation herein shall be adjusted on an actuarially equivalent basis to the amount determined pursuant to this section commencing at age sixty-two (62); however, in the case of a qualified Participant (a Participant with respect to whom a period of at least fifteen (15) years of service, including applicable military service, as a full-time employee of a police or fire department is taken into account in determining the amount of benefit), the limitation contained herein shall not apply.

C. In the case of a benefit which commences after attainment of age sixty-five (65) by the Participant, the limitation herein shall be adjusted on an actuarially equivalent basis in accordance with applicable regulations to the amount determined commencing at age sixty-five (65).

D. Benefits paid to a Participant which total less than Ten Thousand Dollars ($10,000) from all defined benefit plans maintained by the Employer expressed as an annual benefit shall be deemed not to exceed the limitation of this section provided that the Employer has not at any time maintained a defined contribution plan in which the Participant has participated; however, in the case of a Participant who is not receiving a Survivor Benefit pursuant to §706.3, with fewer than ten (10) years of participation the limitation expressed in this Subsection D. shall be reduced by one-tenth (1/10) for each year of participation less than ten (10) but in no event shall this limitation be less than One Thousand Dollars ($1,000).

E. The limitations expressed herein shall be based upon Plan Years for calculation purposes, shall be applied to all defined benefit plans maintained by the Employer as one (1) defined benefit plan and to all defined contribution plans maintained by the Employer as one (1) defined contribution plan, and shall be applied and interpreted consistent with Code §415 and regulations thereunder as applicable to government plans in general and this Plan in particular.

F. In the case of a Death Benefit under §706.3, the adjustment under Subsection B. hereof shall not apply and the applicable limitation shall be the limitation contained herein without regard to the age of the benefit recipient.

Notwithstanding anything contained in this Subsection to the contrary, the limitations, adjustments, and other requirements prescribed in this Subsection shall at all times comply with the provisions of Code §415 and the Regulations thereunder (as such apply to governmental plans), the terms of which are specifically incorporated herein by reference.

7. Retired Participants. Any Participant who shall have retired prior to the Restatement Date shall not have the benefit altered in any way by the provisions of this amended and restated Plan, except where otherwise expressly provided herein. Such retired Participants shall continue to have their benefits governed by the terms of the Plan in effect on the day preceding the Restatement Date. Any Participant who shall have terminated employment and elected to receive a deferred retirement benefit under §707.3 shall have such benefit determined based upon the provisions of the Plan in effect as of the date of such termination of employment and shall not have the benefit altered by the provisions of this amended and restated Plan.

8. Limitation of Liability. Nothing contained herein shall obligate the Employer, the Plan Administrator, any fiduciary or any agent or representative of any of the foregoing, to provide any retirement or other benefit to any Participant or Beneficiary which cannot be provided from the assets available in the Pension Fund, whether such benefits are in pay status or otherwise payable under the terms of the Plan. The Board retains the right to amend or terminate this Plan consistent with applicable law at any time, with or without cause, and whether or not such action directly or indirectly results in the suspension, reduction or termination of any benefit payable under the Plan or in pay status, and without liability to any person for any such action.

9. Personal Right of Participant. The right to receive any benefits under this Plan is a personal right of the Participant and shall expire upon the death of the Participant. No heir, legatee, devisee, Beneficiary, assignee or other person claiming by or through a Participant shall have any interest in any benefits hereunder unless clearly and expressly so provided by the terms of this Plan or the provisions of applicable law. A Participant's Election, failure to make an Election, or revocation of an Election hereunder, shall be final and binding on all persons.

§705. PAYMENT OF BENEFITS.

1. Normal Form of Benefit Payment. The Normal Form for payment of retirement benefits shall be a monthly annuity for the life of the Participant with one hundred twenty (120) monthly payments guaranteed. If the death of the retired Participant occurs after the payments commence but before the total amount of monthly retirement benefit payments equals one hundred twenty (120) monthly payments, the remainder of such payments shall be paid to the Beneficiary (or Beneficiaries) designated by the Participant until the total number of monthly payments made to the Participant and Beneficiary shall equal one hundred twenty (120). The Participant may change the Beneficiary (or Beneficiaries) at any time by notifying the Plan Administrator on the proper form.

2. Optional Forms of Benefit Payment. The automatic form of payment of retirement benefits shall be the Normal Form specified in §705.1 unless a Participant elects to receive benefits in some other form as provided herein. A Participant who retires under §704.1, §704.3, or §704.4 may elect, by giving written Notice to the Employer at least

thirty (30) days prior to the date retirement benefit payments shall commence, to receive payment in one (1) of the optional forms of payment, which shall be the Actuarial Equivalent of the Normal Form. The available optional forms of benefit payment shall be as follows:

A. Life Only Annuity Option. In lieu of receiving a retirement benefit under the Normal Form, a Participant may elect to convert the benefit to this Option which provides for the applicable benefit to be paid for the life of the Participant. Upon the death of the Participant, no further benefits shall be payable.

B. Joint and Survivor Annuity Option. In lieu of receiving a retirement benefit under the Normal Form, a Participant may elect to convert the benefit to this Option which provides a benefit payable during Participant's life, with the provision that upon the Participant's death, payments shall be continued to the Participant's Beneficiary throughout the remainder of the Beneficiary's lifetime. The monthly benefit to the Beneficiary shall be equal to either fifty (50) percent, sixty-six and two-thirds (66-2/3) percent, seventy-five (75) percent, or one hundred (100) percent of the Participant's reduced pension benefit based upon the percentage elected by the Participant. If the Beneficiary shall die before the Participant but after retirement benefit payments have commenced hereunder, there shall be no additional payments made after the death of the Participant shall occur. Under this Option, the Participant may only designate one (1) Beneficiary and the Beneficiary designated upon retirement may not be changed after commencement of benefit payments.

C. Life Annuity with Period Certain Option. In lieu of receiving a retirement benefit under the Normal Form, a Participant may elect to convert the benefit to this Option which provides for a retirement benefit payable monthly to the Participant until the death of the Participant occurs or for a period certain whichever is longer. If the Participant shall die before receiving payment of benefits at least equal to the period certain then the remainder of the period certain payments shall be paid as they become due to a designated Beneficiary or (Beneficiaries). The total number of payments made to the Participant and Beneficiary shall equal to the number of period certain payments selected. If the Participant shall die after receiving payment of benefits equal to or greater than the period certain there shall be no additional payments due hereunder after the Participant's death. The period certain which may be elected, shall be either sixty (60) months or one hundred eighty (180) months. The Participant may change the Beneficiary (or Beneficiaries) at any time by notifying the Plan Administrator on the proper form.

3. Commencement of Benefits. A Participant may elect to commence receiving distribution of retirement benefit payments as of the Early, Normal or Late Retirement Date. A Participant must complete an application for benefits in the manner prescribed by the Plan Administrator and deliver such application to the Plan Administrator at least thirty (30) days prior to the date on which benefit payments shall commence. Notwithstanding anything contained herein to the contrary, no retirement benefit payments nor any other

payments shall be due or payable on or before the date that is thirty (30) days after the date the Plan Administrator receives the application for benefits.

4. Required Distributions.

A. Notwithstanding any other provision of this Plan, the entire benefit of any Participant who becomes entitled to benefits prior to death shall be distributed either:

(1) Not later than the Required Beginning Date; or

(2) Over a period beginning not later than the Required Beginning Date and extending over the life of such Participant, or over the lives of such Participant and a designated Beneficiary (or over a period not extending beyond the life expectancy of such Participant, or the joint life expectancies of such Participant and a designated Beneficiary).

If a Participant who is entitled to benefits under this Plan dies prior to the date when the entire interest has been distributed after distribution of the benefits has begun in accordance with Paragraph (2) above, the remaining portion of such benefit shall be distributed at least as rapidly as under the method of distribution being used under Paragraph (2) as of the date of the death.

B. If a Participant who is entitled to benefits under this Plan dies before distribution of the benefit has begun, the entire interest of such Employee shall be distributed within five (5) years of the death of such Employee, unless the following sentence is applicable. If any portion of the Employee's interest is payable to (or for the benefit of) a designated Beneficiary, such portion shall be distributed over the life of such designated Beneficiary (or over a period not extending beyond the life expectancy of such Beneficiary), and such distributions begin not later than one (1) year after the date of the Employee's death or such later date as provided by regulations issued by the Secretary of the Treasury, then for purposes of the five (5) year rule set forth in the preceding sentence, the benefit payable to the Beneficiary shall be treated as distributed on the date on which such distributions begin. Provided, however, that notwithstanding the preceding sentence, if the designated Beneficiary is the surviving spouse of the Participant, then the date on which distributions are required to begin shall not be earlier than the date upon which the Employee would have attained age seventy and one-half (70-1/2) and, further provided, if the surviving spouse dies before the distributions to such spouse begin, this subparagraph shall be applied as if the surviving spouse were the Employee.

C. For purposes of this section, the following definitions and procedures shall apply:

(1) REQUIRED BEGINNING DATE - shall mean April 1 of the calendar year following the later of the calendar year in which the Employee attains

age seventy and one-half (70-1/2), or the calendar year in which the Employee retires.

(2) The phrase DESIGNATED BENEFICIARY - shall mean any individual designated by the Employee under this Plan according to its rules.

(3) Any amount paid to a child shall be treated as if it had been paid to the surviving spouse if such amount will become payable to the surviving spouse upon such child's reaching majority (or other designated event permitted under regulations issued by the Secretary of the Treasury).

(4) For purposes of this section, the life expectancy of an Employee and/or the Employee's spouse (other than in the case of a life annuity) may be redetermined but not more frequently than annually.

5. Direct Rollovers.

A. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this section, a distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an Eligible Rollover Distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

B. For purposes of this section, the following definitions shall apply:

(1) ELIGIBLE ROLLOVER DISTRIBUTION – shall mean any distribution of all or any portion of the balance to the credit of the distributee, except that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten (10) years or more; any distribution to the extent such distribution is required under Code §401(a)(9); and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

For purposes of the direct rollover provisions in this section of the Plan, a portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions that are not includible in gross income. However, such portion may be paid only to an individual retirement account or annuity described in §408(a) or (b) of the Code, or to a qualified defined contribution plan described in §401(a) or §403(a) of the Code that agrees to separately account for amounts so transferred, including separately

accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(2) ELIGIBLE RETIREMENT PLAN – shall mean a qualified trust described in Code §401(a), an individual retirement account described in Code §408(a), an individual retirement annuity described in Code §408(b), an annuity plan described in Code §403(a), an annuity contract described in Code §403(b), an eligible plan under §457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan.

(3) DISTRIBUTEE - includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a Qualified Domestic Relations Order, as defined in Code §414(p), are distributees with regard to the interest of the spouse or former spouse.

(4) DIRECT ROLLOVER – shall mean a payment by the Plan to the eligible retirement plan specified by the distributee or the Plan Administrator, if the distributee does not make an election.

6. Small Amounts. In its sole discretion, the Employer may direct the Plan Administrator to distribute the vested benefit of a Participant who is terminating participation in the Plan in the form of a lump sum payment if the Actuarial Equivalent present value of such vested benefit is One Thousand Dollars ($1,000) or less. If the Actuarial Equivalent present value of the Participant's vested benefit is over One Thousand Dollars ($1,000) but less than Five Thousand Dollars ($5,000), the Plan Administrator may distribute the payment in a lump-sum subject to consent by the Participant.

7. Designation of Beneficiary. A Participant may designate a Beneficiary or Beneficiaries with respect to any benefits which may become payable upon his death, and he may from time-to-time change such Beneficiary or Beneficiaries. All such designations shall be made on forms provided by the Plan Administrator. In the absence of such a designation, if applicable, the Beneficiary of the Participant shall be his personal representative, if any, and if none, those persons entitled to his estate under the intestate laws of the state in which the participant is domiciled at the time of his death.

8. Assignment. The pension benefit payments prescribed herein shall not be subject to attachment, execution, levy, garnishment or other legal process and shall be payable only to the Participant or designated Beneficiary and shall not be subject to assignment or transfer unless the subject of a domestic relations order, mandated by a court of competent jurisdiction, that clearly provides for proper distribution of a portion of the pension benefit payments to an alternate payee (former spouse of the Participant) and

does not require any benefit to be paid in excess of the available earned and accrued under the Plan.

9. Forfeiture. Rights under this Plan shall be subject to forfeiture as provided by the Act of July 8, 1978 (P.L. 752, No. 140), known as the Public Employee Pension Forfeiture Act.

10. Nonduplication of Benefit. To avoid any duplication of benefits, a Participant who is receiving a retirement benefit under the Plan and who shall resume employment shall have benefit payments suspended until the first (1st) day of the month coincident with or next following the date such employment shall cease. Upon resumption of benefit payments, such Participant shall receive the greater of the amount of the suspended benefit or the amount of benefit based upon Average Monthly Compensation and Years of Service as of the date that such period of resumed employment shall cease.

§706. DEATH BENEFITS.

1. Death of Participant. Upon the occurrence of the death of a Participant, there shall be no benefits payable except as provided for in the following sections of this Article VI.

2. Pre-retirement Death Benefit. If a Participant dies after completion eight (8) years of Credited Service but before retirement, a death benefit shall be payable to the Beneficiary in an amount equal to the Actuarial Equivalent present value of the Participant's Accrued Benefit determined as of his/her date of death in the form of a lump sum benefit, plus any remaining Accumulated Contributions.

3. Death After Retirement. In the event that a Participant shall die after the receipt of any benefit payments under the Plan, the Beneficiary shall be entitled to a benefit only to the extent and in the manner consistent with the provisions of the form of payment of benefits selected by the Participant pursuant to the provisions of Article V of this Plan.

§707. TERMINATION OF EMPLOYMENT.

1. Rights of Terminated Employees. A Participant who shall cease to be an Employee, except as otherwise hereinbefore provided, shall have all interest and rights under this Plan limited to those contained in the following sections of this Article.

2. Deferred Retirement Benefit. A Participant who shall have completed at least five (5) Years of Service and whose employment shall terminate for any reason other than due to death or retirement, shall be entitled to a deferred vested benefit equal to their Accrued Benefit determined as of the date when employment terminated multiplied by the applicable Vesting Percentage based on the Participant's years of Credited Service according to the table below:

Years of	Vesting

Credited Service	Percentage
5	50%
6	70%
7	80%
8	100%

Such a deferred retirement benefit shall commence after application pursuant to §705.3 and not earlier than the date that would be the Participant's Normal Retirement Date or Early Retirement Date under the Plan if the Participant remained in employment until such date.

3. Payment of Vested Benefits. Payments of a Participant's vested benefit shall be made at the direction of the Plan Administrator and subject to the provisions of §707.3 at the date which would have been such Participant's Normal Retirement Date had the Participant continued employment with the Employer. Notwithstanding the preceding, a Participant with an entitlement to a vested benefit may elect to commence receiving such benefit as of the date when he would have been eligible for an Early Retirement Benefit as provided in §704.4 had he continued employment with the Employer, provided, that any payment of a vested accrued benefit as of a Participant's Early Retirement Date shall be subject to the reduction factors for early payment as set forth in §704.5. A Participant eligible to receive his vested benefit may be permitted to receive such benefit in any form of payment authorized for payment of retirement benefits under the provisions of §705.2. The Plan Administrator shall, after consulting with the Participant, and subject to the provisions of Article V, determine the time and form of any distribution of vested benefits hereunder in a non-discriminatory manner, and not contrary to any laws or regulations which may govern such distributions.

4. Vesting at Normal Retirement Date. Notwithstanding the preceding, a Participant shall become one hundred (100) percent vested as of attaining Normal Retirement Age.

5. Forfeiture Upon Death. A Participant who terminates employment with the Employer at a time when not vested in any portion of their Accrued Benefit derived from Employer Contributions, shall cease to be a Participant hereunder and shall not be entitled to any benefits under the Plan derived from Employer Contributions. Payment of a Participant's vested retirement benefit depends upon his continued survival to the date of his actual retirement on either an Early Retirement Date or Normal Retirement Date hereunder.

6. Application of Forfeitures. Amounts forfeited by any Participant may not be used to increase the benefit, which other Participants would otherwise receive under the Plan. Such forfeitures shall be used only to reduce the Employer's Contribution to the Plan.

§708. ADMINISTRATION.

1. Plan Administrator. The Plan Administrator may be the Board or any individual or committee appointed by the Board who shall have the power and authority to do all acts

and to execute, acknowledge and deliver all instruments necessary to implement and effectuate the purpose of this Plan, provided that the Board chooses to delegate said power and authority. The Plan Administrator may delegate authority to act on its behalf to any persons it deems appropriate. If a Plan Administrator is not appointed, the Board shall be the Plan Administrator.

2. Pension Committee. The Board shall review the affairs of the Plan and act in an advisory capacity regarding administration of the affairs of the Plan if a Committee is appointed to administer the Plan. The Board shall delegate such authority as it shall deem appropriate to the Committee. Each member of the Committee shall serve in that capacity until death, resignation, removal or otherwise. Each member may be removed at any time, with or without cause by the applicable group responsible for the appointment of such member. Each member may resign by delivering written notice to the Board and other members of the Committee. Vacancies on the Committee shall be filled in the same manner as the position was originally filled by the Board; provided, however, that the remaining members of the Committee shall have full power to act pending the filling of such vacancies.

3. Authority and Duties of the Plan Administrator. The Plan Administrator shall have full power and authority to do whatever shall, in its judgment, be reasonably necessary for the proper administration and operation of the Plan. The interpretation or construction placed upon any term or provision of the Plan by the Plan Administrator or any action of the Plan Administrator taken in good faith shall, upon the Board's review and approval thereof, be final and conclusive upon all parties hereto, whether Employees, Participants or other persons concerned. By way of specification and not limitation and except as specifically limited hereafter, the Plan Administrator is authorized:

   A. To construe this Plan.

   B. To determine all questions affecting the eligibility of any Employee to participate herein.

   C. To compute the amount and source of any benefit payable hereunder to any Participant or Beneficiary.

   D. To authorize any and all disbursements.

   E. To prescribe any procedure to be followed by any Participant or other person in filing any application or Election.

   F. To prepare and distribute, in such manner as may be required by law or as the Plan Administrator deems appropriate, information explaining the Plan.

   G. To require from the Employer or any Participant such information as shall be necessary for the proper administration of the Plan.

H. To appoint and retain any individual to assist in the administration of the Plan, including such legal, clerical, accounting and actuarial services as may be required by any applicable law or laws.

I. To select an individual retirement plan provider (either the state or a federally regulated financial institution) and invest funds in connection with the rollover of mandatory distributions as described in §705.5.B.

The Plan Administrator shall have no power to add to, subtract from, or modify the terms of the Plan, or change or add to any benefits provided by the Plan, or to waive or fail to apply any requirements of eligibility for benefits under the Plan. Further, the Plan Administrator shall have no power to adopt, amend or terminate the Plan, to select or appoint any Trustee, or to determine or require any contributions to the Plan, said powers being exclusively reserved to the Board.

4. Powers and Duties of Committee. The Committee may organize itself in any manner deemed appropriate to effectuate its purposes hereunder provided that it shall operate and act by a majority of its members at the time in office either by vote at a meeting or in writing without a meeting. The Committee shall receive and disperse all sums of money placed in the Fund and applicable to the purpose described herein.

A. All checks disbursing money from the Fund shall be signed by authorized Committee members.

B. The Committee shall use the same depository that the Township of Upper Makefield constituted or constitutes at its normal reorganization meetings.

C. The Committee shall be the applicant for contracts of insurance and/or annuities as may be required from time-to-time for the participants and are empowered to execute all forms and documents as may be required from time-to-time in the normal operation of the Plan.

D. The Committee may authorize any one (1) of its members to sign as applicant for insurance contracts and/or annuities.

E. The Committee shall pay premiums on contracts of insurance and/or annuities issued for the Participants as they become due.

F. The Committee shall keep a record of all income and disbursements and advise the Board of the financial requirements of the Plan once each year at least two (2) months prior to the establishment of the annual budget requirements of the Township.

G. The Committee shall maintain and keep such records as are necessary for the efficient operation of the Plan or as may be required by any applicable law, regulation or ruling, and shall provide for the preparation and filing of such forms,

reports or documents as may be required to be filed with any governmental agency or department and with the Participants or other persons entitled to benefits under the Plan.

H. The Committee is subject to all normal fiduciary duties imposed upon any trustee by law and the Committee, in whole or as individuals, shall act in pursuance of this Ordinance as agents of the Township. All actions of the Committee must be by majority vote.

5. Plan Administrator Costs. The Plan Administrator shall serve without compensation for services unless otherwise agreed by the Board in writing. All reasonable expenses incident to the functioning of the Plan Administrator, including, but not limited to, fees of accountants, counsel, actuaries and other specialists, and other costs of administering the Plan, may be paid from the Pension Fund upon approval by the Board to the extent permitted under applicable law and not otherwise paid by the Employer.

6. Hold Harmless. No member of the Board, the Plan Administrator, the Enrolled Actuary, nor any other person involved in the administration of the Plan shall be liable to any person on account of any act or failure to act which is taken or omitted to be taken in good faith in performing their respective duties under the terms of this Plan. To the extent permitted by law, the Employer shall, and hereby does agree to, indemnify and hold harmless the Plan Administrator and each successor and each of any such individual's heirs, executors and administrators, and the delegates and appointees (other than any person, bank, firm or corporation which is independent of the Employer and which renders services to the Plan for a fee) from any and all liability and expenses, including counsel fees, reasonably incurred in any action, suit or proceeding to which he is or may be made a party by reason of being or having been a member, delegate or appointee of the Plan Administrator, except in matters involving criminal liability, intentional or willful misconduct. If the Employer purchases insurance to cover claims of a nature described above, then there shall be no right of indemnification except to the extent of any deductible amount under the insurance coverage or to the extent of the amount the claims exceed the insured amount.

7. Approval of Benefits. The Plan Administrator shall review and approve or deny any application for retirement benefits within thirty (30) days following receipt thereof or within such longer time as may be necessary under the circumstances. Any denial of an application for retirement benefits shall be in writing and shall specify the reason for such denial.

8. Appeal Procedure. Any person whose application for retirement benefits is denied, who questions the amount of benefit paid, who believes a benefit should have commenced which did not so commence, or who has some other claim arising under the Plan ("Claimant"), shall first seek a resolution of such claim under the procedure hereinafter set forth.

A. Claimant shall file a Notice of the claim with the Plan Administrator, which shall fully describe the nature of the claim. The Plan Administrator shall review the claim and make an initial determination approving or denying the claim.

B. If the claim is denied in whole or in part, the Plan Administrator shall, within ninety (90) days (or such other period as may be established by applicable law) from the time the application is received, mail Notice of such denial to the Claimant. Such ninety (90) day period may be extended by the Plan Administrator if special circumstances so require for up to ninety (90) additional days by the Plan Administrator's delivering Notice of such extension to the Claimant within the first ninety (90) day period. Any Notice hereunder shall be written in a manner calculated to be understood by the Claimant and, if a Notice of denial, shall set forth (i) the specific Plan provisions on which the denial is based, (ii) an explanation of additional material or information, if any, necessary to perfect such claim, and a statement of why such material or information is necessary, and (iii) an explanation of the review procedure.

C. Upon receipt of Notice denying the claim, the Claimant shall have the right to request a full and fair review by the Board of the initial determination. Such request for review must be made by Notice to the Board within sixty (60) days of receipt of such Notice of denial. During such review, the Claimant or a duly authorized representative shall have the right to review any pertinent documents and to submit any issues or comments in writing. The Board shall, within sixty (60) days after receipt of the Notice requesting such review, (or in special circumstances, such as where the Board in its sole discretion holds a hearing, within one hundred and twenty (120) days of receipt of such Notice), submit its decision in writing to the person or persons whose claim has been denied. The decision shall be final, conclusive and binding on all parties, shall be written in a manner calculated to be understood by the Claimant and shall contain specific references to the pertinent Plan provisions on which the decision is based.

D. Any Notice of a claim questioning the amount of a benefit in pay status shall be filed within ninety (90) days following the date of the first payment which would be adjusted if the claim is granted unless the Plan Administrator allows a later filing for good cause shown.

E. A Claimant who does not submit a Notice of a claim or a Notice requesting a review of a denial of a claim within the time limitations specified above shall be deemed to have waived such claim or right to review.

F. Nothing contained herein is intended to abridge any right of a Claimant to appeal any final decision hereunder to a court of competent jurisdiction under 2 Pa.C.S.A. §752. No decision hereunder is a final decision from which such an appeal may be taken until the entire appeal procedure of this §708.8 of the Plan has been exhausted.

§709. THE PENSION FUND.

1. Operation of the Pension Fund. The Board is hereby authorized to hold and supervise the investment of the assets of the Pension Fund, subject to the provisions of the laws of the Commonwealth and of this Plan, and any amendment thereto.

   The Pension Fund shall be used to pay benefits as provided in the Plan and, to the extent not paid directly by the Employer, to pay the expenses of administering the Plan pursuant to authorization by the Employer.

   The Employer intends the Plan to be permanent and for the exclusive benefit of its Employees. It expects to make the contributions to the Pension Fund required under the Plan. The Employer shall not be liable in any manner for any insufficiency in the Pension Fund; benefits are payable only from the Pension Fund, and only to the extent that there are monies available therein. The Pension Fund will consist of all funds held by the Employer under the Plan, including contributions made pursuant to the provisions hereof and the investments, reinvestments and proceeds thereof. The Pension Fund shall be held, managed, and administered pursuant to the terms of the Plan. Except as otherwise expressly provided in the Plan, the Employer has exclusive authority and discretion to manage and control the Pension Fund assets. The Employer may, however, appoint a trustee, custodian or investment manager, at its sole discretion.

2. Powers and Duties of Employer. With respect to the Pension Fund, the Employer shall have the following powers, rights and duties, in addition to those vested in it elsewhere in the Plan or by law, unless such duties are delegated.

   A. To retain in cash so much of the Pension Fund as it deems advisable and to deposit any cash so retained in any bank or similar financial institution (including any such institution which may be appointed to serve as trustee hereunder), without liability for interest thereon.

   B. To invest and reinvest the principal and income of the fund and keep said fund invested, without distinction between principal and income, in securities which are at the time legal investments for fiduciaries under the Pennsylvania Fiduciaries Investment Act, or as the same may be subsequently modified or amended.

   C. To sell property held in the fund at either public or private sale for cash or on credit at such times as it may deem appropriate; to exchange such property; to grant options for the purchase or exchange thereof.

   D. To consent to and participate in any plan of reorganization, consolidation, merger, extension or other similar plan affecting property held in the fund; to consent to any contract, lease, mortgage, purchase, sale or other action by any corporation pursuant to any such plan.

E. To exercise all conversion and subscription rights pertaining to property held in the fund.

F. To exercise all voting rights with respect to property held in the fund and in connection therewith to grant proxies, discretionary or otherwise.

G. To place money at any time in a deposit bank deemed to be appropriate for the purposes of this Plan no matter where situated, including in those cases where a bank has been appointed to serve as trustee hereunder, the savings department of its own commercial bank.

H. In addition to the foregoing powers, the Employer shall also have all of the powers, rights, and privileges conferred upon trustees by the Pennsylvania Fiduciaries Investment Act, or as the same may be subsequently modified or amended, and the power to do all acts, take all proceedings and execute all rights and privileges, although not specifically mentioned herein, as the Employer may deem necessary to administer the Pension Fund.

I. To maintain and invest the assets of this Plan on a collective and commingled basis with the assets of other pension plans maintained by the Employer, provided that the assets of each respective plan shall be accounted for and administered separately.

J. To invest the assets of the Pension Fund in any collective commingled trust fund maintained by a bank or trust company, including any bank or trust company which may act as a trustee hereunder. In this connection, the commingling of the assets of this Plan with assets of other eligible, participating plans through such a medium is hereby specifically authorized. Any assets of the Plan which may be so added to such collective trusts shall be subject to all of the provisions of the applicable declaration of trust, as amended from time-to-time, which declaration, if required by its terms or by applicable law, is hereby adopted as part of the Plan, to the extent of the participation in such collective or commingled trust fund by the Plan.

K. To make any payment or distribution required or advisable to carry out the provisions of the Plan, provided that if a trustee is appointed by the Employer, such trustee shall make such distribution only at the direction of the Employer.

L. To compromise, contest, arbitrate, enforce or abandon claims and demands with respect to the Plan.

M. To retain any funds or property subject to any dispute without liability for the payment of interest thereon, and to decline to make payment or delivery thereof until final adjudication is made by a court of competent jurisdiction.

N. To pay, and to deduct from and charge against the Pension Fund, any taxes which may be imposed thereon, whether with respect to the income, property or transfer thereof, or upon or with respect to the interest of any person therein, which the Fund is required to pay; to contest, in its discretion, the validity or amount of any tax, assessment, claim or demand which may be levied or made against or in respect of the Pension Fund, the income, property or transfer thereof, or in any matter or thing connected therewith.

O. To appoint any persons or firms (including, but not limited to, accountants, investment advisors, counsel, actuaries, physicians, appraisers, consultants, professional plan administrators and other specialists), or otherwise act to secure specialized advice or assistance, as it deems necessary or desirable in connection with the management of the fund; to the extent not prohibited by applicable law, the Employer shall be entitled to rely conclusively upon and shall be fully protected in any action or omission taken by it in good faith reliance upon, the advice or opinion of such persons or firms, provided such persons or firms were prudently chosen by the Employer, taking into account the interests of the Participants and Beneficiaries and with due regard to the ability of the persons or firms to perform their assigned functions.

P. To retain the services of one (1) or more persons or firms for the management of (including the power to acquire and dispose of) all or any part of the Fund assets, provided that each of such persons or firms is registered as an investment advisor under the Investment Advisors Act of 1940, is a bank (as defined in that Act), or is an insurance company qualified to manage, acquire or dispose of pension trust assets under the laws of more than one (1) state; in such event, the Employer shall follow the directions of such Investment Manager or Managers with respect to the acquisition and disposition of fund assets, but shall not be liable for the acts or omissions of such Investment Manager or Managers, nor shall it be under any obligation to review or otherwise manage any Fund assets which are subject to the management of such Investment Manager or Managers. If the Employer appoints a trustee, the trustee shall not be permitted to retain such an Investment Manager except with the express written consent of the Employer.

3. Common Investments. The Employer shall not be required to make separate investments for individual Participants or to maintain separate investments for each Participant's account, but may invest contributions and any profits or gains therefrom in common investments.

4. Compensation and Expenses of Appointed Trustee. If a trustee is appointed, the trustee shall be entitled to such reasonable compensation as shall from time-to-time be agreed upon by the Employer and the trustee, unless such compensation is prohibited by law. Such compensation, and all expenses reasonably incurred by the trustee in carrying out its functions, shall constitute a charge upon the Employer or the Pension Fund, which may be executed at any time after thirty (30) days written notice to the Employer. The Employer shall be under no obligation to pay such costs and expenses, and, in the event

of its failure to do so, the trustee shall be entitled to pay the same, or to be reimbursed for the payment thereof, from the Pension Fund.

5. Periodic Accounting. If a trustee is appointed, the Pension Fund shall be evaluated annually, or at more frequent intervals, by the trustee and a written accounting rendered as of each fiscal year end of the Fund, and as of the effective date of any removal or resignation of the trustee, and such additional dates as requested by the Employer, showing the condition of the Fund and all receipts, disbursements and other transactions effected by the trustee during the period covered by the accounting, based on fair market values prevailing as of such date.

6. Value of the Pension Fund. All determinations as to the value of the assets of the Pension Fund, and as to the amount of the liabilities thereof, shall be made by the Employer or its appointed trustee, whose decisions shall be final and conclusive and binding on all parties hereto, the Participants and Beneficiaries and their estates. In making any such determination, the Employer or trustee shall be entitled to seek and rely upon the opinion of or any information furnished by brokers, appraisers and other experts, and shall also be entitled to rely upon reports as to sales and quotations, both on security exchanges and otherwise as contained in newspapers and in financial publications.

§710. AMENDMENT AND TERMINATION.

1. Amendment of the Plan. The Employer may amend this Plan at any time or from time-to-time by an instrument in writing executed in the name of the Employer under its municipal seal by officers duly authorized to execute such instrument and delivered to the Board provided, however:

   A. That no amendment shall deprive any Participant or any Beneficiary of a deceased Participant of any of the benefits to which each is entitled under this Plan with respect to contributions previously made.

   B. That no amendment shall provide for the use of funds or assets held under this Plan other than for the benefit of Employees and no funds contributed to this Plan or assets of this Plan shall, except as provided in §710.5, ever revert to or be used or enjoyed by the Employer.

   C. That no amendment to the Plan which provides for a benefit modification shall be made unless the cost estimate described in §711.3 has been prepared and presented to the Board in accordance with the Act.

2. Termination of the Plan. The Employer shall have the power to terminate this Plan in its entirety at any time by an instrument in writing executed in the name of the Employer.

3. Automatic Termination of Contributions. Subject to the provisions of the Act governing financially distressed municipalities, the liability of the Employer to make contributions to the Pension Fund shall automatically terminate upon liquidation or dissolution of the

Employer, upon its adjudication as a bankrupt or upon the making of a general assignment for the benefit of its creditors.

4. Distribution Upon Termination. In the event of the termination of the Plan, all amounts of vested benefits accrued by the affected Participants as of the date of such termination, to the extent funded on such date, shall be nonforfeitable hereunder. In the event of termination of the Plan, the Employer shall direct either (i) that the Plan Administrator continue to hold the vested Accrued Benefits of Participants in the Pension Fund in accordance with the provisions of the Plan (other than those provisions related to forfeitures) without regard to such termination until all funds have been distributed in accordance with the provisions; or (ii) that the Plan Administrator immediately distribute to each Participant an amount equal to the vested Accrued Benefit to the date.

   All assets attributable to the terminated Plan shall be distributed and disposed of in accordance with the provisions of applicable law and the terms of any instrument adopted by the Employer which effects such termination.

5. Residual Assets. If all liabilities to vested Participants and any others entitled to receive a benefit under the terms of the Plan have been satisfied and there remain any residual assets in the Pension Fund, such residual assets remaining shall be returned to the Employer insofar as such return does not contravene any provision of law, and any remaining balance, in excess of Employer contributions, shall be returned to the Commonwealth.

6. Exclusive Benefit Rule. In the event of the discontinuance and termination of the Plan as provided herein, the Employer shall dispose of the Pension Fund in accordance with the terms of the Plan and applicable law; at no time prior to the satisfaction of all liabilities under the Plan shall any part of the corpus or income of the Pension Fund, after deducting any administrative or other expenses properly chargeable to the Pension Fund, be used for or diverted to purposes other than for the exclusive benefit of the Participants in the Plan, their Beneficiaries or their estates.

§711. FUNDING STANDARD REQUIREMENTS.

1. Actuarial Valuations. The Plan's Actuary shall perform an Actuarial Valuation at least biennially unless the Employer is applying or has applied for supplemental state assistance pursuant to §603 of the Act, whereupon Actuarial Valuation reports shall be made annually.

   Such biennial Actuarial Valuation report shall be made as of the beginning of each Plan Year occurring in an odd-numbered calendar year, beginning with the year 1985.

   Such actuarial valuation shall be prepared and certified by an approved Actuary, as such term is defined in the Act.

The expenses attributable to the preparation of any Actuarial Valuation report or investigation required by the Act or any other expense which is permissible under the terms of the Act and which are directly associated with administering the Plan shall be an allowable administrative expense payable from the assets of the Pension Fund. Such allowable expenses shall include, but not be limited to, the following:

A. Investment costs associated with obtaining authorized investments and investment management fees.

B. Accounting expenses.

C. Premiums for insurance coverage on Fund assets.

D. Reasonable and necessary counsel fees incurred for advice or to defend the Fund.

E. Legitimate travel and education expenses for Plan officials; provided, however, that the municipal officials of the Employer, in their fiduciary role, shall monitor the services provided to the Plan to ensure that the expenses are necessary, reasonable and benefit the Plan; and further provided, that the Plan Administrator shall document all such expenses item-by-item, and where necessary, hour-by-hour.

2. Duties of Chief Administrative Officer. Such actuarial reports shall be prepared and filed under the supervision of the Chief Administrative Officer.

The Chief Administrative Officer of the Plan shall determine the financial requirements of the Plan on the basis of the most recent actuarial report and shall determine the Minimum Municipal Obligation of the Employer with respect to funding the Plan for any given Plan Year. The Chief Administrative Officer shall submit the financial requirements of the Plan and the Minimum Municipal Obligation of the Employer to the Board annually and shall certify the accuracy of such calculations and their conformance with the Act.

3. Benefit Plan Modifications. Prior to the adoption of any benefit plan modification by the Employer, the Chief Administrative Officer of the Plan shall provide to the Board a cost estimate of the proposed benefit plan modification. Such estimate shall be prepared by an approved Actuary, which estimate shall disclose to the Board the impact of the proposed benefit plan modification on the future financial requirements of the Plan and the future Minimum Municipal Obligation of the Employer with respect to the Plan.

§712. MISCELLANEOUS PROVISIONS.

1. Employment Rights. No Employee of the Employer nor anyone else shall have any rights whatsoever against the Employer or the Plan Administrator as a result of this Plan except those expressly granted hereunder. Participation in this Plan shall not give any

right to any Employee to be retained in the employ of the Employer, nor shall interfere with the right of the Employer to discharge any Employee and to deal with such Employee without regard to the effect such treatment might have upon participation in this Plan.

2. Meaning of Certain Words. For purposes of this Plan, the masculine gender shall include the feminine gender and the singular shall include the plural, and vice versa, in all cases wherever the person or context shall plainly so require. Headings of Articles and Sections are inserted only for convenience of reference and are not to be considered in the construction of the Plan.

3. Information to Be Furnished By the Employer. The Employer shall furnish to the Plan Administrator (and where applicable, the trustee) information in the Employer's possession as the Plan Administrator and the trustee shall require from time-to-time to perform their duties under the Plan.

4. Severability of Provisions. Should any provisions of this Plan be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of this Plan, and the Plan shall be construed and enforced as if said illegal and invalid provisions had never been inserted herein.

5. Incapacity of Participant. If any Participant shall be physically or mentally incapable of receiving or acknowledging receipt of any payment of pension benefits hereunder, the Plan Administrator, upon the receipt of satisfactory evidence that such Participant is so incapacitated and that another person or institution is maintaining the Participant and that no guardian or committee has been appointed for the Participant, may provide for such payment of pension benefits hereunder to such person or institution so maintaining the Participant, and any such payments so made shall be deemed for every purpose to have been made to such Participant.

6. Pension Fund for Sole Benefit of Participants. The income and principal of the Pension Fund are for the sole use and benefit of the Participants covered hereunder, and to the extent permitted by law, shall be free, clear and discharged from and are not to be in any way liable for debts, contracts or agreements, now contracted or which may hereafter be contracted, and from all claims and liabilities now or hereafter incurred by any Participant or Beneficiary.

7. Benefits for a Deceased Participant. If any benefit shall be payable under the Plan to or on behalf of a Participant who has died, if the Plan provides that the payment of such benefits shall be made to the Participant's estate, and if no administration of such Participant's estate is pending in the court of proper jurisdiction, then the Plan Administrator, at its sole option, may pay such benefits to the surviving spouse of such deceased Participant, or, if there is no surviving spouse, to such Participant's then living issue, per stirpes; provided, however, that nothing contained herein shall prevent the Plan Administrator from insisting upon the commencement of estate administration

proceedings and the delivery of any such benefits to a duly appointed executor or administrator.

8. Assets of the Fund. Nothing contained herein shall be deemed to give any Participant or Beneficiary any interest in any specific property of the Pension Fund or any right except to receive such distributions as are expressly provided for under the Plan.

9. Personal Liability. Subject to the provisions of the Act and unless otherwise specifically required by other applicable laws, no past, present or future officer or agent of the Employer or Plan Administrator shall be personally liable to any Participant, Beneficiary or other person under any provision of the Plan.

10. Construction of Document. This Plan may be executed and/or conformed in any number of counterparts, each of which shall be deemed an original and shall be construed and enforced according to the laws of the Commonwealth, excepting such Commonwealth's choice of law rules.

ARTICLE II. DEFINED CONTRIBUTION PLAN

1. Chapter 1, Part 7, Sections 714 through 724 are hereby repealed in their entirety.

2. A new Chapter 1, Part 7, Section 714 is enacted and shall read as follows:

   §714 Defined Contribution Plan. Upper Makefield Township adopts and incorporates herein the plan entitled "Upper Makefield Township 401(A) Plan" as prepared by Definiti, and as executed December 15, 2026. A full copy of the aforementioned plan is available at the Upper Makefield Township Office.

3. For reference, the entirety of the Upper Makefield Township 401(A) Plan is attached hereto and incorporated within this ordinance as ***Exhibit "A."***

ARTICLE III. REPEALER

All ordinances or parts of ordinances which are inconsistent herewith are hereby repealed.

ARTICLE IV. SEVERABILITY

If any section, paragraph, subsection, clause or provision of this Ordinance shall be declared invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of this Ordinance as a whole or any part thereof other than that portion specifically declared invalid.

ARTICLE V. EFFECTIVE DATE

This Ordinance shall be effective as of January 1, 2027

ORDAINED AND ENACTED this 15th day of December, A.D., 2026.

UPPER MAKEFIELD TOWNSHIP
BOARD OF SUPERVISORS

_____
Benjamin Weldon

_____
J. Braun Taylor

_____
Thomas Cino

_____
Yvette Taylor

_____
Elizabeth Thompson