
INTEROFFICE MEMORANDUM

TO: AMY LAM, TOWN CLERK

FROM: JASON E. BOWSA, FIRST SELECTMAN *Jason E. Bowsa*

SUBJECT: RATIFIED AMENDMENTS TO PENSION PLAN APPENDICES B-1 AND B-2

DATE: MAY 28, 2021

CC: JEFF REIMER, AFSCME COUNCIL 4, LOCAL 3583 PRESIDENT
AMY O'TOOLE, TREASURER/FINANCE DIRECTOR
JOSHUA A. HAWKES-LADDS, ESQ., TOWN ATTORNEY

Attached please find the fully executed Agreement between the Town of East Windsor and AFSCME Council 4, Local 3583 (Uniformed Sworn Police Officers) concerning amendments to Pension Plan Appendices B-1 and B-2.

In addition to the copy provided with this memo, an electronic copy will be available on the Town's website.

RECEIVED
Town of East Windsor
Town Clerks Office

MAY 28 2021

By: *Amy Blam*
Town Clerk 11:35am

**Town of East Windsor and
AFSCME Council 4, Local 3583 – Uniformed Sworn Police Officers
Tentative Agreement on Pension Plan Economic Issues
November 23, 2020**

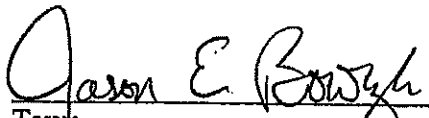
The Town of East Windsor ("Town") and AFSCME Council 4, Local 3583 – Uniformed, Sworn Police Officers ("Union"), hereby agree to the following modifications to the current retirement pension plans, to be effective as of the date of ratification by the Town and the Union (the "Ratification Date"):

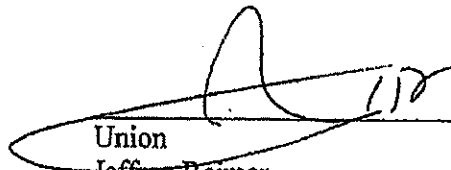
1. The current plan structure for the Defined Benefit Pension Plan ("DB Plan"), Deferred Compensation Plan ("457 Plan"), and the "Hybrid Plan" which includes the Defined Benefit Plan and the Defined Contribution Plan ("401(a) Plan"), will remain the same except for these following changes:

- a. Participant contributions to the 457 Plan to be capped at the government maximum limit, provided the aggregate of the Employee and Town contributions (excluding catch-up contributions) do not exceed the applicable annual dollar amount provided for under Section 457(b), as may be adjusted by the IRS annually.
- b. The Town will continue to match up to 3% of the Participant contributions to the 457 Plan.
- c. Participant mandatory contributions to the 401(a) Plan will continue to be 5% of earnings per payroll period.
- d. DB Plan Participants will contribute .50% more than under the current plan (effective at Ratification: 7.50% for regular DB Plan; 4.50% for Hybrid DB Plan).
- e. Vesting in the DB Plans:
 - New hires as of Ratification Date = 10 years vesting
 - Current employees = 5 years vesting
- f. The "Normal Retirement Date" for Plan Participants shall be changed to the first of the month following the date on which the Participant attains the Normal Retirement Age. The Normal Retirement Age is the later of an officer's 25th anniversary of the date on which the Participant commenced participation in the Plan ("25th Anniversary Date") or their attainment of age 50 for officer's who reach their 25th Anniversary Date. An officer who reach their 25th Anniversary Date prior to age 50 will receive no reduction in benefit so long as said officer does not commence collecting their benefit until age 50. An officer who does not attain their 25th Anniversary Date has a Normal Retirement Age of 60 and will receive no actuarial reduction so long as said officer does not commence collecting their benefit prior to age 60. In accordance with the current plan, "if a participant retires from service with the Town prior to his 25th anniversary of commencement of participation in the Plan, Normal Retirement Date shall be the date he or she attains age 60."

2. The DB Plan and applicable Appendix will be revised in accordance with the pension lawyer's and actuary's recommendations (copies previously provided to parties) and the Parties will agree to those changes through a separate Tentative Agreement.

3. The Plan revisions and this Agreement shall be effective as of the Ratification Date.
4. This Tentative Agreement encompasses the entire agreement for the economic provisions of the Police Pension Agreement and is subject to ratification by the East Windsor Police Union and the Town of East Windsor. A separate and distinct Tentative Agreement will encompass any and all language changes for the DB Plan, 457 Plan and 401(a) Plan.
5. The retirement plans, as revised per the above provisions, will remain in place for 3 years, then will automatically renew for 1-year terms, unless either party seeks to reopen the Plan within 90 days after the first three-year term or subsequent 1-year term ends.


Town
~~Joshua A. Hawks-Laddis~~
~~Jason E. Bowsza~~
First Selectman
5/28/21
Date


Union
Jeffrey Reimer
4/5/2021
Date

APPENDIX B-1
PROVISIONS FOR PARTICIPANTS EMPLOYED BY THE
POLICE DEPARTMENT AS UNIFORMED OR INVESTIGATORY SWORN POLICE
OFFICERS HIRED BEFORE JULY 1, 2007

This Appendix B-1 lists the provisions applicable to Eligible Employees of the Town who are employed by the Town Police Department as uniformed or investigatory sworn police officers (excluding animal control officers), who are represented by a collective bargaining unit, and who were hired before July 1, 2007. In the event that the provisions of this Appendix B-1 are inconsistent with the terms contained in the remainder of the Plan, the provisions contained in this Appendix B-1 shall take precedence.

1. Picked-up Contributions.

The Participant's Picked-up Contributions shall be equal to seven and a half percent (7.50%) of the Participant's Earnings for the Plan Year.

2. Normal Retirement.

a) "Normal Retirement Date" means the first of the month following the date on which the Participant attains Normal Retirement Age.

b) "Normal Retirement Age" means the later of a Participant's twenty-fifth (25th) anniversary of the date on which the Participant commenced participation in the Plan ("25th Anniversary Date") or attainment of age 50 for Participants who reach their 25th Anniversary Date. Participants who reach their 25th Anniversary Date prior to age 50 will receive no reduction in benefit so long as such Participant does not commence collecting benefits prior to age 50. A Participant who does not attain their 25th Anniversary Date has a Normal Retirement Age of 60 and will receive no actuarial reduction so long as the Participant does not commence collecting a benefit prior to age 60. In accordance with the current plan (Appendix B), "if a participant retires from service with the Town prior to his 25th Anniversary Date, Normal Retirement Date shall be the date he or she attains age 60."

c) A Participant's annual Normal Retirement Benefit shall be equal to two and one quarter percent (2.25%) of the Participant's Average Annual Earnings multiplied by the number of years of his or her Benefit Service, provided, that in no event shall a Participant's Normal Retirement Benefit be equal to more than seventy percent (70%) of the Participant's Average Annual Earnings. For purposes of determining the Normal Retirement Benefit, a Participant shall receive one twelfth of a year of Benefit Service for each completed calendar month on and after the Employee's Entry Date for which he is credited with 83 or more Hours of Service.

d) For purposes of paragraph (b) above, "Average Annual Earnings" means a Participant's annual Earnings received during the two (2) consecutive Plan Year period preceding the date on which the Participant's employment terminates (or the Participant's period of employment, if shorter) during which the Participant receives the greatest amount of Earnings. In the event a Participant has not completed two (2) full, consecutive Plan Years prior to the date on which the Participant's employment terminates, for purposes of determining a

Participant's Average Annual Earnings, the Participant's Earnings for any partial Plan Year shall be determined by dividing the Participant's Earnings for such partial Plan Year by the Participant's number of completed months of Service and by multiplying that number by twelve (12).

3. Disability Retirement.

a) A Participant who suffers a Total and Permanent Disability as a result of an injury sustained in the Participant's performance of duties as a member of the Town's Police Department shall receive disability benefits under the terms of Section 4.3 of the Plan, except that the amount of such Participant's benefit shall be equal to (i) less (ii), where (i) and (ii) are:

i) fifty percent (50%) of the Participant's Average Annual Earnings;

ii) The sum of:

(A) any periodic cash payments provided on account of the Participant's disability such as:

(1) under any group insurance coverage or similar arrangement coverage for individuals in a group paid for by the Employer;

(2) by one-half of the federal Social Security Act, excluding benefits payable to the Participant's dependents on account of the Participant's disability;

(3) by any state or federal government disability or retirement plan;

(4) under or on account of any worker's compensation or similar law, which become payable on or after the commencement of the disability for which monthly income is payable.

(B) Any Social Security benefits provided under the Social Security Act (individuals who are covered by Social Security will be considered to be receiving periodic Social Security payments unless the Participant submits proof that payments have been applied for but are not yet payable).

b) A Participant who suffers a Total and Permanent Disability other than as a result of an injury sustained in the Participant's performance of duties as a member of the Town's Police Department shall receive disability benefits under the terms of Section 4.3 of the Plan, subject to subparagraph c) below.

c) Disability Retirement Benefits shall not extend beyond the Participant's Normal Retirement Date. Upon the Participant's attainment of Normal Retirement Date, Disability Retirement Benefits will immediately cease, and normal retirement payments will begin; provided, however, that the form of normal retirement benefits shall be the same as the form of Disability Retirement Benefits. The amount of such a Participant's normal retirement payments received will be determined on his or her Normal Retirement Date and shall be calculated including his or her period of disability as years of Benefit Service. For purposes of calculating

the Participant's Normal Retirement Benefit, the Participant's Average Annual Earnings shall be determined as if the Participant's Earnings during his or her period of disability were equal to the Participant's Earnings on the day before the Participant became Totally and Permanently Disabled.

4. Vesting.

Vesting shall be in accordance with Section 6.1 of the Plan document.

5. Contribution for Prior Service.

If an Active Participant did not make Mandatory Employee Contributions or Pick Up Contributions commencing on his first day of employment due to the prior provisions of the Plan, then such Participant shall be required to make up any such contributions on a retroactive basis by contributing the amount he would have made to the Plan had contributions been required for any such period or periods. Such retroactive Make-up Contributions shall be made in a single lump-sum payment, otherwise they shall be made on an installment basis over a reasonable period of time as determined by the Town. Such Make-up Contributions shall not be picked-up pursuant to Section 414(h) of the Code.

6. Service Credit.

For all purposes of the Plan, a Participant shall receive credit for service, including Benefit Service, for periods in which such Participant served as a supernumerary for the Police Department of the Town.

7. Duration.

The terms of this Appendix B-1 will remain effective for 3 years, then will renew automatically for 1-year terms, unless either party seeks to reopen the Plan within 90 days after the first 3-year term or subsequent 1-year term ends.

APPENDIX B-2

PROVISIONS FOR PARTICIPANTS EMPLOYED BY THE POLICE DEPARTMENT AS UNIFORMED OR INVESTIGATORY SWORN POLICE OFFICERS WHO ARE HIRED ON OR AFTER JULY 1, 2007

This Appendix B-2 lists the provisions applicable to Eligible Employees of the Town who are employed by the Town Police Department as uniformed or investigatory sworn police officers (excluding animal control officers) who are hired after July 1, 2007 and who are represented by a collective bargaining unit. In the event that the provisions of this Appendix B-1 are inconsistent with the terms contained in the remainder of the Plan, the provisions contained in this Appendix B-1 shall take precedence.

1. Picked-Up Contributions.

A Participant's Picked-Up Contributions shall be equal to four and a half percent (4.50%) of the Participant's Earnings for the Plan Year.

2. Normal Retirement.

a) "Normal Retirement Date" means the first of the month following the date on which the Participant attains Normal Retirement Age.

b) "Normal Retirement Age" means the later of a Participant's twenty-fifth (25th) anniversary of the date on which the Participant commenced participation in the Plan ("25th Anniversary Date") or attainment of age 50 for Participants who reach their 25th Anniversary Date. Participants who reach their 25th Anniversary Date prior to age 50 will receive no reduction in benefit so long as such Participant does not commence collecting benefits prior to age 50. A Participant who does not attain their 25th Anniversary Date has a Normal Retirement Age of 60 and will receive no actuarial reduction so long as the Participant does not commence collecting a benefit prior to age 60. In accordance with the current plan (Appendix B), "if a participant retires from service with the Town prior to his 25th Anniversary Date, Normal Retirement Date shall be the date he or she attains age 60."

c) A Participant's annual Normal Retirement Benefit shall be equal to one and one quarter percent (1.25%) of the Participant's Average Annual Earnings multiplied by the number of years of his or her Benefit Service, not to exceed 20 years of Benefit Service, plus one and one half percent (1.5%) of the Participant's Average Annual Earnings multiplied by the number of years of his or her Benefit Service, if any, in excess of twenty (20) years. For purposes of determining the Normal Retirement Benefit, a Participant shall receive one twelfth of a year of Benefit Service for each completed calendar month on and after the Employee's Entry Date for which he is credited with 83 or more Hours of Service.

d) For purposes of paragraph (c) above, "Average Annual Earnings" means a Participant's annual Earnings received during the two (2) consecutive Plan Year period preceding the date on which the Participant's employment terminates (or the Participant's period of employment, if shorter) during which the Participant receives the greatest amount of Earnings. In the event a Participant has not completed two (2) full, consecutive Plan Years prior

to the date on which the Participant's employment terminates, for purposes of determining a Participant's Average Annual Earnings, the Participant's Earnings for any partial Plan Year shall be determined by dividing the Participant's Earnings for such partial Plan Year by the Participant's number of completed months of Service and by multiplying that number by twelve (12).

3. Disability Retirement.

a) A Participant who suffers a Total and Permanent Disability as a result of an injury sustained in the Participant's performance of duties as a member of the Town's Police Department shall receive disability benefits under the terms of Section 4.3 of the Plan, except that the amount of such Participant's benefit shall be equal to (i) less (ii), where (i) and (ii) are:

i) fifty percent (50%) of the Participant's Average Annual Earnings.

ii) The sum of:

(A) any periodic cash payments provided on account of the Participant's disability such as:

- (1) under any group insurance coverage or similar arrangement coverage for individuals in a group paid for by the Employer;
- (2) by one-half of the federal Social Security Act, excluding benefits payable to the Participant's dependents on account of the Participant's disability;
- (3) by any state or federal government disability or retirement plan;
- (4) under or on account of any worker's compensation or similar law, which become payable on or after the commencement of the disability for which monthly income is payable.

(B) Any Social Security benefits provided under the Social Security Act (individuals who are covered by Social Security will be considered to be receiving periodic Social Security payments unless the Participant submits proof that payments have been applied for but are not yet payable).

b) A Participant who suffers a Total and Permanent Disability other than as a result of an injury sustained in the Participant's performance of duties as a member of the Town's Police Department shall receive disability benefits under the terms of Section 4.3 of the Plan, subject to subparagraph c) below.

c) Disability Retirement Benefits shall not extend beyond the Participant's Normal Retirement Date. Upon the Participant's attainment of Normal Retirement Date, Disability Retirement Benefits will immediately cease, and normal retirement payments will begin; provided, however, that the form of normal retirement benefits shall be the same as the form of Disability Retirement Benefits. The amount of such a Participant's normal retirement payments received will be determined on his or her Normal Retirement Date and shall be calculated

including his or her period of disability as years of Benefit Service. For purposes of calculating the Participant's Normal Retirement Benefit, the Participant's Average Annual Earnings shall be determined as if the Participant's Earnings during his or her period of disability were equal to the Participant's Earnings on the day before the Participant became Totally and Permanently Disabled.

4. Vesting.

- a. A Participant with 5 or more Years of Service prior to May 6, 2021 [*date of ratification*] shall be vested in his or her benefit under the Plan.
- b. As of May 6, 2021 [*date of ratification*] a Participant shall become vested in his or her benefit under the Plan in accordance with the following schedule:

<u>Years of Service</u>	<u>Percentage Vested</u>
Less than 10 Years	0%
10 or more Years	100%

Provided, however, that a Participant hired prior to May 6, 2021 [*date of ratification*] become vested in his or her benefit under the Plan in accordance with the following schedule:

<u>Years of Service</u>	<u>Percentage Vested</u>
Less than 5 Years	0%
5 or more Years	100%

5. Duration.

The terms of this Appendix B-2 will remain effective for 3 years, then will renew automatically for 1-year terms, unless either party seeks to reopen the Plan within 90 days after the first three-year term or the subsequent 1-year term ends.

