

ORDINANCE NO. 15856

FILE OF CITY COUNCIL

BILL NO. 90 - 2022

---

NOVEMBER 30, 2022

---

AN ORDINANCE

Amending the City code to reflect the changes made to the City's pension plan, as required by PMRS.

AN ORDINANCE OF ALLENTOWN CITY, LEHIGH COUNTY, COMMONWEALTH OF PENNSYLVANIA, ELECTING TO AMEND ITS NON-UNIFORM PENSION PLAN ADMINISTERED BY THE PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM PURSUANT TO ARTICLE IV OF THE PENNSYLVANIA MUNICIPAL RETIREMENT LAW; AGREEING TO BE BOUND BY ALL PROVISIONS OF THE PENNSYLVANIA MUNICIPAL RETIREMENT LAW AS AMENDED AND AS APPLICABLE TO MEMBER MUNICIPALITIES. IT IS HEREBY ORDAINED BY ALLENTOWN CITY, LEHIGH COUNTY, AS FOLLOWS:

SECTION I: Allentown City (the City), having established a non-uniform pension plan administered by the Pennsylvania Municipal Retirement System (the System), hereby elects to amend its Non-Uniform Pension Plan administered by the System in accordance with Article IV of the Pennsylvania Municipal Retirement Law, 53 P.S. §881.101 et seq. (Retirement Law), and does hereby agree to be bound by all the requirements and provisions of the Retirement Law and the Municipal Pension Plan Funding Standard and Recovery Act, 53 P.S. §895.101 et seq., and to assume all obligations, financial and otherwise, placed upon member municipalities.

SECTION II: As part of this Ordinance, the City agrees that the System shall administer and provide the benefits set forth in the amended Non-Uniform Pension Plan Document entered into between the Pennsylvania Municipal Retirement Board and the City effective as of the date specified in the adoption agreement (the Contract).

SECTION III: The City acknowledges that by passage and adoption of this Ordinance, the City officially accepts the Contract and the financial obligations resulting from the administration of the Contract.

SECTION IV: Payment for any obligation established by the adoption of this Ordinance and the Contract shall be made by the City in accordance with the Retirement Law and the Municipal Pension Plan Funding Standard and Recovery Act. The City hereby assumes all liability for any unfundedness created due to the benefit structure set forth in the Contract.

SECTION V: The City intends this Ordinance to be the complete authorization of the Contract, as amended and it shall become effective as of the date specified in the adoption agreement, which is the effective date of the Contract, as amended.

SECTION VI: A duly certified copy of this Ordinance and an executed Contract shall be filed with the System.

SECTION VII: That this Ordinance will take effect ten (10) days after final passage.

SECTION VIII: That all Ordinances inconsistent with the above provisions are repealed to the extent of their inconsistency.

SECTION IX: Pursuant to Section 218 of the Home Rule Charter and upon the affirmative vote of six council members, the 14 day requirement between introduction and final passage is hereby eliminated.

**AMENDMENT:** Add the following as Section IX: Pursuant to Section 218 of the Home Rule Charter and upon the affirmative vote of six council members, the 14 day requirement between introduction and final passage is hereby eliminated, PASSED 6 - 0

	Yea	Nay
Candida Affa	X	
Ce-Ce Gerlach	X	
Daryl Hendricks	X	
Natalie Santos	X	
Ed Zucal	X	
Cynthia Y. Mota, Pres.	X	
TOTAL	6	0

I hereby certify that the foregoing Ordinance was passed by City Council on December 7, 2022 and signed by the Mayor on December 8, 2022.

  
\_\_\_\_\_  
CITY CLERK

## Legislative Template

- **What department or bureau is this bill originating from? Where did the initiative for the bill originate?**

Finance Administration  
PMRS Pension Plan re-statement

- **Summary and facts of the bill.**

PMRS requires all municipalities to re-state their defined benefit plan adoption agreements when changes to the pension plan are made. The IRS re-defined employment terms such as "Full Time employee" "Part Time employee" in 2017. PMRS notified the City of plan revisions including these revised employment definitions and expanded benefit options in 2020. The Finance Dept. is now administering the pension plans and would like to sign the adoption agreement to take effect 01/01/2023.

- **Purpose – Please include the following in your explanation:**
  - a. **What does the bill do? What are the specific goals or tasks the bill seeks to accomplish?**

As part of this Ordinance, the City agrees that the System shall administer and provide the benefits set forth in the amended Non-Uniform Pension Plan Document entered into between the PA Municipal Retirement Board and the City effective 01/01/2023.

- b. **What are the benefits of doing this? What are the drawbacks?**

All municipalities must re-state the pension plan when amendments are made.

- c. **How does this bill relate to the City's vision/mission/priorities?**

Re-stating the plan allows us to continue participating in and providing a pension plan for our non-uniform employees through PMRS.

- **Financial Impact – Please include the following in your explanation:**
  - a. **Cost (initial and ongoing)**

The City acknowledges that by passage and adoption of this ordinance, the City officially accepts the defined benefit plan as amended and the financial obligations resulting from the administration of the contract.

Payment for any obligation established by the adoption of this Ordinance and the Contract shall be made by the City in accordance with the Retirement Law and the Municipal Pension Plan Funding Standard and Recovery Act. The City hereby assumes all liability for any unfundedness created due to the benefit structure set forth in the contract.

**b. Benefits (initial and ongoing)**

Continued pension plan for non-uniform employees.

- **Funding Sources – Please include the following in your explanation:**
  - a. **If transferring funds, please make sure to give specific account names and numbers. If appropriating funds from a grant, please list the agency awarding the grant.**

n/a. There is no cost associated with the re-statement.

- **Priority status – Are there any deadlines to be aware of?**

The signed plan documents need to be approved by the PA Municipal Retirement Board at their December 15<sup>th</sup>, 2022, meeting in order to take effect 01/01/2023. This ordinance needs to be approved by City Council at the Wednesday Nov 30<sup>th</sup>, 2022, budget meeting.

- **Why should Council unanimously support this bill?**

Re-stating the plan allows the City to continue to offer a PMRS pension plan to our non-bargaining and SEIU employees.