2017 - 2020
Agreement Between
The Township of Lower Merion
and
The Lower Merion Fraternal Order of Police
Lodge #28

Agreement reached: December 27, 2016
Document finalized: June 14, 2018
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**ADDENDUMS**

Addendum “A” – Base Wage Schedule  
Addendum “B” – Summary of Benefits and Coverage – Integrated Medical/Prescription Plan  
Addendum “C” – Dental Plan Benefits Summary  
Addendum “D” – Vision Plan Benefits Summary  
Addendum “E” – Opt-Out Waiver Amounts  
Addendum “F” – Monthly Retiree Healthcare Contributions  
Addendum “G” – Act 44 Deferred Retirement Option program (Act 44 DRO)
AGREEMENT

THIS AGREEMENT by and between the Township of Lower Merion (hereinafter referred to as the “Township”) and the Township of Lower Merion Fraternal Order of Police, Lodge No. 28, on behalf of the members of the police force of the Township of Lower Merion, except probationary Police Officers, Lieutenants, Captains, and the Police Superintendent (hereinafter referred to as “Police”).

WITNESSETH:

WHEREAS, Act 111 of 1968 provides that settlements entered into as a result of collective bargaining shall be reduced to written agreement; and

WHEREAS, the Police and Township have, on the date set forth above, reached agreement on this written agreement containing terms and conditions of employment of Police, including all previous written agreements, understandings and arbitration awards.

NOW, THEREFORE, the Police and Township agree to the following terms, set forth to be effective from January 1, 2017 through December 31, 2020:
ARTICLE 1
CONSOLIDATION

1.1 This document has taken all of the written agreements and arbitration awards entered into between the Police and the Township since October 16, 1968 and integrated those agreements and awards into this single document. All past practices have been so included in this Agreement. This document sets forth all benefits for the period January 1, 2017 through December 31, 2020.
ARTICLE 2
RANK/WAGES

2.1 Ranks:

In accordance with the Civil Service Commission Rules and Regulations:

A. Officers hired with Act 120 certification will attain Grade D Officer rank after completing one (1) year of service.

B. Officers hired without Act 120 certification will attain Grade D Officer rank upon obtaining a certification number under Act 120 and after completing one (1) year of service from the date of such certification.

C. Officers will attain Grade C Officer rank after completing one (1) year of service at Grade D.

D. Officers will attain Grade B Officer rank after completing one (1) year of service at Grade C.

E. Officers will attain Grade A Officer rank after completing one (1) year of service at Grade B.

F. Officers will attain Senior Officer rank after completing one (1) year of service at Grade A.

2.2 Wages:

A. Beginning January 1, 2017, the annual base wage of all Officers covered by the Agreement shall be increased by 3.75%.

B. Beginning January 1, 2018, the annual base wage of all Officers covered by the Agreement shall be increased by 3.75%.

C. Beginning January 1, 2019, the annual base wage of all Officers covered by the Agreement shall be increased by 3.75%.

D. Beginning January 1, 2020, the annual base wage of all Officers covered by the Agreement shall be increased by 3.75%.

Attached as Addendum “A” is the Base Wage Schedule for 2017 - 2020, which reflects the annual and hourly rates for each calendar year of this Agreement. Base wage increases are computed using an Officer’s annual base wage. The hourly base wage shall be determined by taking the annual base wage and dividing that amount by 2080.

2.3 Promotions:

Increases in the base wage due to step increases shall be effective on the Officer’s actual anniversary date. Promotion to the position of Probationary Sergeant or Sergeant shall be effective as of the date of appointment.
ARTICLE 2
RANK/WAGES
(CONTINUED)

2.4 Acting in Rank:

Any Officer acting in the rank of a higher paid Officer in the bargaining unit shall be compensated at the rate of the higher paid Officer for each day he/she so acts beginning after the fifteenth (15th) day he/she acts.
ARTICLE 3
LONGEVITY PAY PLAN

3.1 Description of Plan:

Longevity pay will be given to Officers covered by this Agreement solely as compensation for serving the Township for specific periods of time. Longevity pay will be paid by means of a separate check by the first full pay period in January, or sooner if operationally feasible. It will be subject to Federal Income and Social Security/Medicare tax deductions.

3.2 To Whom the Plan Applies:

Full-time Officers covered by this Agreement will receive longevity pay in the amounts hereinafter specified.

3.3 Eligibility Requirements:

In order to qualify for longevity pay, a full-time Officer’s length of service must be continuous years of employment with the Township. If military service with the Armed Forces of the United States interrupts the service of such full-time Officer with the Township, the time spent in the military service shall be counted for longevity pay, provided that such full-time Officer returns to work with the Township within 30 calendar days following his/her separation from the Armed Forces. If a full-time Officer’s employment with the Township shall be terminated for any reason whatsoever, he/she shall lose all of his/her accumulated length of service credit, except that a full-time Officer who is laid off solely because of a reduction in the force shall receive credit for the time when he/she is laid off if he/she returns to work within 30 calendar days of notification by the Township.

A full-time Officer must be in an “active employee” status as of December 31st in order to be eligible to receive a longevity payment in the following calendar year. This means that an Officer whose employment with the Township is terminated for any reason (retirement, resignation, disability, involuntary termination or death) prior to December 31st of any given year is not eligible to receive a longevity payment in the following year and that there shall be no proration of longevity pay. The longevity payment will be based on the number of full calendar years completed as of December 31st of the calendar year preceding the longevity payment.

3.4 Amounts Payable:

Each eligible full-time Officer shall be paid annual longevity pay in an amount equal to the percentage of his/her current fiscal year’s annual base wage as of January 1st of the respective calendar year.
ARTICLE 3
LONGEVITY PAY PLAN
(CONTINUED)

The following chart outlines the longevity schedule provided to all Officers, Probationary Sergeants and Sergeants upon completion of said Officer’s third year of service:

The annual base wage to the longevity schedule will be provided to all Officers, Probationary Sergeants and Sergeants upon completion of said Officer’s third year of service.

<table>
<thead>
<tr>
<th>After the following # of Years’ Service</th>
<th>3</th>
<th>5</th>
<th>10</th>
<th>15</th>
<th>20</th>
<th>25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade “D” Officer</td>
<td>3.6%</td>
<td>4.4%</td>
<td>5.7%</td>
<td>6.7%</td>
<td>7.7%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Grade “C” Officer</td>
<td>3.6%</td>
<td>4.4%</td>
<td>5.7%</td>
<td>6.7%</td>
<td>7.7%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Grade “B” Officer</td>
<td>3.6%</td>
<td>4.4%</td>
<td>5.7%</td>
<td>6.7%</td>
<td>7.7%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Grade “A” Officer</td>
<td>3.5%</td>
<td>4.3%</td>
<td>5.7%</td>
<td>6.7%</td>
<td>7.7%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Senior Officer</td>
<td>3.5%</td>
<td>4.3%</td>
<td>5.7%</td>
<td>6.7%</td>
<td>7.7%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Probationary Sgt.</td>
<td>3.5%</td>
<td>4.2%</td>
<td>5.7%</td>
<td>6.7%</td>
<td>7.7%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Sergeant</td>
<td>3.4%</td>
<td>4.1%</td>
<td>5.7%</td>
<td>6.7%</td>
<td>7.7%</td>
<td>8.7%</td>
</tr>
</tbody>
</table>

When an Officer is promoted to the next higher grade of Officer, or to Probationary Sergeant or Sergeant, he/she will receive his/her next longevity payment at the established promoted position’s longevity percentage stated above. In these cases, each Officer’s current fiscal year’s actual base wage as of January 1st of the respective calendar year will be utilized.
ARTICLE 4
NIGHT DIFFERENTIAL

4.1 The night shift differential shall be 6.75% of base wage for regularly scheduled hours actually worked between 3:00 P.M. and 7:00 A.M., except that no night shift differential shall be paid with respect to any hour worked on an eight (8) hour shift which begins between 7:00 A.M. and 9:00 A.M. Such sum shall be added to the bi-weekly paycheck.
ARTICLE 5
HOURS OF WORK

5.1 Work Day:

The normal work day for an Officer covered by this Agreement shall be eight (8) or twelve (12) hours which shall include an uninterrupted thirty (30) minute unpaid lunch period. The Superintendent of Police (or his/her designee) shall have the discretion to call Officers away from their lunch break in times of emergency. Officers subject to roll call shall be required to report fifteen (15) minutes prior to the start of his/her shift.

5.2 Work Week and DO-40 Selections:

A. The average work week for Officers working an 8-hour shift covered by this Agreement shall be forty (40) hours excluding unpaid lunch periods. The average work week for Officers working a 12-hour shift covered by this Agreement shall be forty-two (42) hours, excluding unpaid lunch periods. To accomplish an average forty (40) hour work week, all Officers assigned to patrol platoons shall earn four (4) hours DO-40 time for every pay period worked on a 12-hour shift schedule for a total of 104 hours of DO-40 time per year.

B. DO-40 time shall be taken according to the monthly schedule in the same manner that Holidays are chosen.

5.3 Call Back Time:

A. Any Officer who is called back to work while off duty shall be entitled to a minimum of four (4) hours pay at time-and-one-half of his/her base rate of pay.

B. When an Officer is called in to work while off duty within two (2) hours or less of the start of their regular shift, he/she shall be paid a minimum of two (2) hours pay at time and one-half of his/her base rate of pay. Call backs longer than two hours of the start of their regular shift shall be entitled to a minimum of four (4) hours of pay at time and one-half of his/her base rate of pay.

C. Call back time shall begin at the time an Officer is notified to report to work.

5.4 Court Time:

A. Any Officer who is called back while off duty and is required to be present at court hearings, including proceedings before a Grand Jury, District Court or Court of Common Pleas, shall be paid for the amount of time expended, portal to portal, with a minimum of three (3) hours pay at time and one-half of his/her base rate of pay.
ARTICLE 5
HOURS OF WORK
(CONTINUED)

B. An Officer scheduled to work a twelve (12) hour shift who is required to attend court during the twelve (12) hour period between twelve (12) hour shifts shall receive Court Compensation Time in lieu of payment for all court hours subject to a minimum of three (3) hours of Court Compensation time. Such time shall be earned at a rate of time and one-half. Court Compensation time shall be utilized by the Officer at the beginning of the Officer’s next shift. Court Compensation time shall only apply as stated in this provision and shall not apply to any other provision of this Agreement.

C. The phrase “between twelve (12) hour shifts” or “between shifts” as used in this provision refers only to the situation where an Officer’s next shift is scheduled to commence twelve (12) hours after the end of his previous twelve (12) hour shift. If the Officer is required to attend court during any period of time when the Officer has more than twelve (12) hours between any scheduled shift, the Court Compensation Time provision applies.

5.5 Travel Time:

An Officer required to travel on overtime (portal to portal) shall be paid actual round trip travel time up to one-half hour maximum.

5.6 Overtime:

A. Time and one-half shall be paid to Officers for all hours worked in excess of eight (8) or twelve (12) hours in a work day or for any hours worked during the Officer’s regularly scheduled day(s) off. The Township has and will continue to comply with the overtime provision requirements of the Federal Fair Labor Standards Act (“FLSA”) of 1986.

B. All overtime hours worked between 0001 hours and 2400 hours on any holiday will be paid at the double time rate.

C. An Officer who is scheduled at least forty-eight (48) hours in advance to work an overtime assignment which is to begin within one (1) hour of the conclusion of a regular shift, shall be paid overtime from the conclusion of the regular shift through the completion of the overtime assignment. The time between the conclusion of the regular shift and the start of the overtime assignment shall be spent in preparation for overtime duty. This provision shall exclude extra-duty details and court-time, except for district court.
ARTICLE 5
HOURS OF WORK
(CONTINUED)

5.7 Delegate Leave Time:

A. Paid excused time will be granted to those Officers who serve as delegates for the F.O.P. For the State F.O.P. Summer/Winter Board Meetings up to a total of thirty-six (36) paid hours may be granted for Officers working twelve (12) hour shifts and up to a total of twenty-four (24) hours for Officers working eight (8) hour shifts. For the National F.O.P. Board Meetings up to total of forty-eight (48) paid hours may be granted for Officers working twelve (12) hour shifts and up to a total of forty (40) hours for Officers working eight (8) hour shifts. Only that time which conflicts with the delegate’s work schedule will be granted. If there is no conflict with the work schedule, the delegate is not entitled to paid leave. Said attendance shall be limited to the number of F.O.P. delegates permitted by the national formula. The Township will not be responsible for any expenses incurred by the Officers during Delegate Leave Time. The Superintendent of Police (or his/her designee), at his/her sole discretion may deny such leave in times of emergency.

B. If other F.O.P. functions arise that mutually benefit both the F.O.P. and the Township, the President of the F.O.P. may request excused time for himself or his/her designee. The Superintendent of Police (or his/her designee) shall have the discretion to grant the request.

C. A lodge member who is elected to either the Pennsylvania State F.O.P. Board or the National F.O.P. Board may be granted excused paid time (minus any compensation received minus expenses for meals and/or travel) as necessary with the approval from the Superintendent of Police (or his/her designee).

5.8 Time Off Between Shifts:

A. The Officer shall be entitled to no less than fifteen and one-half (15.5) hours off between regular work shifts for Officers who work an eight (8) hour shift and twelve (12) hours off between regular work shifts for Officers who work a twelve (12) hour shift. The Superintendent of Police (or his/her designee) shall have the discretion to require fewer than fifteen and one-half (15.5) hours or twelve (12) hours off respectively between regular work shifts in times of emergency.

B. The phrase “between regular work shifts” or “between shifts” as used in this provision refers only to the situation where an Officer’s next shift is scheduled to commence no sooner than fifteen and one-half (15.5) hours for Officers who work an eight (8) hour shift or twelve (12) hours after the end of his/her previous twelve (12) hour shift for those Officers who work a twelve (12) hour shift. If the Officer is called back to work during any period of time when the Officer has
ARTICLE 5
HOURS OF WORK
(CONTINUED)

more than fifteen and one-half (15.5) hours for Officers who work an eight (8) hour shift
or twelve (12) hours for Officers who work a twelve (12) hour shift between any
scheduled shift, the Court Compensation Time provision stated in Article 5.4 shall not
apply.

5.9 Disciplinary Suspension and Training:

For Officers working the twelve (12) hour shift schedule, a “day” for the purposes of disciplinary
suspension or for training shall be eight (8) hours. The Officer may request to utilize paid leave
time to compensate for the four (4) remaining hours or he/she must report to duty.

5.10 Sergeants’ Time Off:

In order to maintain the appropriate level of supervision and efficient operation of the Police
Department, only one Sergeant per day of twelve (12) hours is permitted to be scheduled off.
Approval by a Watch Commander or appropriate Police Command Supervisory Staff is required
before a second Sergeant within the same platoon will be permitted to schedule time
off.

The Township does recognize that exceptions might be granted to the above, in good faith, for
unique or emergency situations and where the operations of the Police Department are not
jeopardized. In order to accommodate a second Sergeant’s request for time off, exceptions will be
considered based on operational needs in accordance with the Vacation and Holiday General
Orders. Subject to proper prior approval of the Police Command Supervisory Staff, the guidelines
that may be considered for the requested exceptions for a second Sergeant being granted time off
include but are not limited to that the Sergeant may:

A. Request that a shift supervisor available to work a twelve (12) hour shift from the shift
before or after to adjust his/her hours to the appropriate shift to address operational needs
as determined by the Watch Commander or appropriate Police Command Supervisory
Staff. Three supervisors must be available from the shift the replacement supervisor is
being asked to adjust. If a replacement Sergeant is available, the requesting Sergeant will
be permitted to take the shift off utilizing IVD, DO-40, PH or Holiday Time.

B. Request a shift supervisor who is day off and available to a work a twelve (12) hour shift
in place of the requesting supervisor to have his/her schedule adjusted to fill in for the shift
requested. Any change of schedule for either the requesting Sergeant or the replacement
Sergeant must take place within the same pay period of both Sergeants. Three supervisors
must be available from the shift the
replacement supervisor is being asked to adjust. No overtime will be utilized to meet this request. If a replacement Sergeant is available, the requesting Sergeant will be permitted to take the shift off utilizing IVD, DO-40, PH or Holiday Time.

C. Request that the Sergeant be permitted four (4) hours off which can be taken at the beginning or end of a shift.

D. Request that a second supervisor be permitted to take a day off on certain holidays as long as one Platoon Sergeant is guaranteed to be available to work the assigned shift. Time off on certain holidays will be as follows: Christmas, both shifts; Thanksgiving, both shifts and New Year’s Day, 0700 hrs. to 1900 hrs. shift.

E. Police Command Supervisory Staff will provide approval (or denial) no later than two (2) weeks prior to the respective holiday with the understanding that there is no guarantee that the second Sergeant will in fact receive the Holiday off.

F. If the second Sergeant is permitted off, it is with the understanding that all time off granted under these guidelines will be subject to cancellation if the one Sergeant available for the designated shift becomes unavailable. The second Sergeant permitted off must be available for call back based on an emergency with the third Sergeant needing to be off, unique situations or other operational needs.

G. The requesting Sergeant will be responsible for finding a replacement Sergeant, subject to approval from the Watch Commander.

H. All requests must be in writing.
ARTICLE 6
VACATIONS

6.1 Vacation Plan:

Officers will be entitled to annual vacation leave according to the following schedule:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Number of Days (Weeks)</th>
<th>Converted to Hours 8-Hour Shift Schedule</th>
<th>Converted to Hours 12-Hour Shift Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>After one (1) year of service</td>
<td>10 days (2 weeks)</td>
<td>80</td>
<td>84</td>
</tr>
<tr>
<td>After five (5) years of service</td>
<td>15 days (3 weeks)</td>
<td>120</td>
<td>126</td>
</tr>
<tr>
<td>After eleven (11) years of service</td>
<td>20 days (4 weeks)</td>
<td>160</td>
<td>168</td>
</tr>
<tr>
<td>After nineteen (19) years of service</td>
<td>25 days (5 weeks)</td>
<td>200</td>
<td>210</td>
</tr>
<tr>
<td>After eighteen (18) years of service</td>
<td>25 days (5 weeks)</td>
<td>200</td>
<td>210</td>
</tr>
</tbody>
</table>

For Officers working the eight (8) hour shift schedule, a “week” of vacation leave shall be equal to forty (40) hours of pay. For Officers working the twelve (12) hour shift schedule, a “week” of vacation leave shall be equal to forty-two (42) hours of pay. A transfer between an eight (8) hour shift schedule and a twelve (12) hour shift schedule will result in a pro-ration of vacation hours.

6.2 Scheduling:

Vacation scheduling shall continue to remain under the control and supervision of the Superintendent of Police and his/her Division and Unit Commanders. Subject to such control and supervision, and consistent with the needs of the Police Department and proper police practice of which the Superintendent of Police shall continue to be the sole judge, preferences of individual Officers as to vacation periods shall be taken into consideration. Toward this end, a regulation regarding the selection of vacations shall be formulated. (Currently regulated by General Order.)

6.3 Individual Vacation Days (IVD’s):

All sworn Police Officers may schedule all of their earned vacation time as Individual Vacation Days (“IVD’s”). For Officers working the twelve (12) hour shift schedule, an IVD shall be twelve (12) hours. The vacation time of Officers assigned to patrol platoons will consist of forty-two (42) hours per week of earned vacation time, and those assigned to all other units within the Department will consist of forty (40) hours per week of earned vacation time. No more than one (1) such IVD may be taken during the month of December. Non-patrol Officers will be permitted to take IVD leave in four (4) hour increments up to a maximum of forty (40) hours. Said IVD scheduling shall be subject to all applicable rules and regulations as have been or may be established by the Superintendent of Police. IVD’s will have a lower scheduling priority than vacation weeks, Holidays, DO-40’s and Personal Holidays.
ARTICLE 6
VACATIONS
(CONTINUED)

6.4 Percentage Payoff if Resigning:

Officers otherwise entitled to paid vacation who resign, die or are otherwise terminated, including terminated-vested (except through retirement), shall be entitled to vacation, personal holiday and holiday pay on a pro rata basis as shown below:

<table>
<thead>
<tr>
<th>Employee Resigns In</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>10%</td>
</tr>
<tr>
<td>February</td>
<td>20%</td>
</tr>
<tr>
<td>March</td>
<td>30%</td>
</tr>
<tr>
<td>April</td>
<td>40%</td>
</tr>
<tr>
<td>May</td>
<td>50%</td>
</tr>
<tr>
<td>June</td>
<td>60%</td>
</tr>
<tr>
<td>July</td>
<td>70%</td>
</tr>
<tr>
<td>August</td>
<td>80%</td>
</tr>
<tr>
<td>September</td>
<td>90%</td>
</tr>
<tr>
<td>October-December</td>
<td>100%</td>
</tr>
</tbody>
</table>

Officers who retire will be entitled to take paid vacation provided for in Article 6.1 of this Agreement.

Officers resigning (not retiring) cannot run-out vacation or personal leave between the date of resignation and his/her effective resignation date or thereafter.
ARTICLE 7
HOLIDAYS

7.1 Designated Holidays:

Officers are entitled to ten (10) days (80 hours) of paid designated holidays per year as follows:

1. New Year’s Day
2. Martin Luther King, Jr. Day
3. President’s Day
4. Good Friday
5. Easter Sunday
6. Memorial Day
7. Independence Day
8. Labor Day
9. Thanksgiving Day
10. Christmas Day

7.2 Holiday Pay:

Officers scheduled to work on a designated holiday shall be entitled to an option of:

A. Triple time for working the holiday and loss of extra day off selection.

B. Double time for working the holiday and an extra day off selection.

Officers working the twelve (12) hour shift schedule shall have holiday pay apply only to the shifts which start on the holiday, and shall be paid for all hours worked on that shift.

Thirteen (13) assignments of eight (8) hours each to work on holidays will be offered to Officers assigned to the following work units: Auxiliary Services Unit, Staff & Inspections Unit and the Traffic Safety Unit.

The number of assignments and number of Officers to be scheduled for any holiday will be at the sole discretion of the Superintendent of Police (or his/her designee) based upon operational needs. The assignments will be made based upon a Police Officer’s seniority and his/her Police Officer’s knowledge, skills and abilities of the work assignments. Officers in the Auxiliary Services Unit, Staff & Inspections Unit and the Traffic Safety Unit may participate in a lottery for any offered holiday assignment opportunities declined by another Officer.
ARTICLE 7
HOLIDAYS
(CONTINUED)

7.3 Scheduling:

Scheduling of days off shall continue to remain under the control and supervision of the Superintendent of Police and his/her Division and Unit Commanders. Subject to such control and supervision, and consistent with the needs of the Police Department and proper police practice of which the Superintendent of Police shall continue to be the sole judge, preferences of individual Officers as to all days off shall be taken into consideration. Toward this end, a regulation regarding the selection of designated holidays has been formulated.

7.4 Personal Holidays:

Officers shall receive six (6) days (48 hours) of personal holidays per year which shall be personal days off at straight time, and which will be granted at any time during the year that it is requested by the Officer, provided that there is no unusual staffing shortage on the day requested.

7.5 Holidays:

Those Officers eligible for holiday selections shall receive ten (10) days (80 hours) of holidays per calendar year.

7.6 Holiday and DO-40 Seniority:

If applicable, Holidays (formerly called “Extra Days Off”) and Day Off 40’s (“DO-40’s”) shall be selected on a seniority basis in accordance with the following system:

A. Operations Division, Patrol Unit Officers shall choose their holidays based upon an established holiday selection list to be maintained by each platoon’s supervisory personnel. Such list will be established, with the order of each platoon’s selection list based upon the seniority of the personnel assigned to the particular platoon. Seniority will be considered only for the initial establishment of the order of the holiday selection list.

B. Officers shall select holidays in order of their position on their platoon’s established holiday selection list. For example, an Officer in a position on the list for the first holiday selection for a given selection period will have the first choice of a day off for that period. That Officer’s name will then become the last on the holiday selection list and the next Officer on the list will move to the first selection position for the next period. The selection process will progress in this manner and each Officer on the list will eventually rotate to the first holiday selection position.
C. Probationary Officers assigned to the Operations Division, Patrol Unit Platoons will be initially positioned on the holiday selection list so that they will be in the last position on the list for the holiday selection period in which they are assigned to the platoon. An Officer who is transferred to an Operations Division Patrol Unit from another unit or patrol platoon shall take a position on the holiday selection list based upon his/her seniority. Any conflicts resulting from said transfer shall be resolved by allowing an additional Officer to select a holiday, if operationally feasible, but only for the period in conflict.

D. Selections of DO-40’s shall be made in the exact manner as the holiday selections. A list for this purpose shall also be established. The only difference in selections will be that the initial “first” choice will be established at a point midway (on an even number) through the personnel list for a given platoon. For example, with a 20 Officer platoon, the first choice would begin at position ten of the selection list. For a 19 Officer platoon, the first choice will still begin at position ten.
ARTICLE 8
SICK LEAVE

8.1 “Sick Leave” is defined as an absence of an Officer from work by reason of illness or accident which is non-work connected and not compensable under the Workers’ Compensation Laws of Pennsylvania.

8.2 Each Officer shall be allowed paid time off for sick leave each calendar year in accordance with the following schedule:

<table>
<thead>
<tr>
<th>Service</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>One year to five years</td>
<td>240</td>
</tr>
<tr>
<td>Over five years</td>
<td>480</td>
</tr>
</tbody>
</table>

8.3 Sick leave not used in any calendar year shall not be carried forward from year to year.

8.4 Sick leave will be recorded by total work hours missed.

8.5 Officers unable to report for duty because of illness or injury not covered by Workers’ Compensation insurance shall notify the Township as prescribed by Departmental rules and regulations as well as the Sick Leave General Order.

8.6 Officers absent from duty because of illness or injury not covered by Workers’ Compensation insurance, shall, upon return to duty, explain the nature of the disability as prescribed by Departmental rules and regulations.

8.7 Officers unable to report for duty for more than three consecutive work days shall submit the Medical Documentation for Non-Work-Related Absences form. For the fifth and each and every occurrence thereafter, the Officer will be required to bring the Medical Documentation for Non-Work-Related Absences form for any time absent from work as prescribed by Departmental rules and regulations outlined in the Sick Leave General Order.

8.8 Officers who are on sick leave shall:

A. Remain at their place of residence or confinement until such time as they are able to report back to duty except that they may leave to visit their physician or leave on direction of their physician.

B. Personally notify the Department by telephone upon leaving and returning to their place of residence or confinement.

C. Be subject to visits/telephone calls from supervisory personnel.

D. Be subject to visits and examination by a physician of the Department’s choice at the discretion of the Superintendent of Police.
ARTICLE 8
SICK LEAVE
(CONTINUED)

8.9 Perfect Attendance:

A. Officers who do not use any sick leave in a calendar year, January 1st through December 31st, will be eligible to receive twelve (12) hours Perfect Attendance ("PA") time in January of the following year.

B. Officers who do not use any sick leave in a calendar year for three (3) consecutive years will be eligible to receive sixteen (16) hours of PA time and for Officers who do not use any sick leave in a calendar year for six (6) consecutive years will be eligible to receive twenty-four (24) hours of PA time in January of the following year.

C. This benefit shall be based upon sick leave use in prior calendar years. The benefit shall be cumulative; i.e., a year which was previously considered in determining an Officer’s entitlement to PA time shall be included in the determination of additional entitlements based upon consecutive years.

D. In order to qualify, a full-time Officer must be in an “active employee” status as of December 31st in order to be eligible to receive PA leave (12, 16 or 24 hours). This means that an Officer whose employment with the Township is terminated for any reason (retirement, resignation, disability, involuntary termination or death) prior to December 31st of any given year is not eligible to receive PA leave (12, 16 or 24 hours) in the following year. An Officer out on a work-related injury or leave without pay for more than 90 days during a calendar year will not be eligible for PA leave (12, 16 or 24 hours).

E. Officers will have the following options of how to use the allotment of his/her PA hours:

1. An eligible Officer, who does not elect to use or donate the PA day, will be permitted to “cash-in” his/her 12, 16 or 24 hours of PA for a $100 payment. The PA payment will be paid in the first full pay period in February, once per calendar year, the year following the successful outcome of perfect attendance and there shall be no proration of the PA payment. An eligible Officer must notify in writing the Staff Services Commander if the Officer is selecting Option 1 no later than January 15th of the respective calendar year.

2. As an option to Article 8.9(E)(1), an eligible Officer may take his/her PA time of 12, 16 or 24 hours respectively as time off. PA days are not cumulative from year to year and if not taken or donated (see number 3 below) within the respective calendar year will be forfeited unless the Officer is prevented from taking the scheduled PA day by order of the Township. A PA day will carry the same weight as a Personal Holiday for selection purposes.
ARTICLE 8
SICK LEAVE
(CONTINUED)

3. An eligible Officer will have the option to voluntarily donate up to eight (8) hours of his/her PA hours to Officer(s) who have exhausted all his/her paid time off and are suffering with life threatening diseases or disabilities (on the same magnitude as chemotherapy or kidney dialysis) as determined by the Township. Said Officer will be permitted to use the remaining hours (4, 8 or 16) of PA subject to Section 2.

4. An Officer who is partially or totally disabled is eligible to apply for Long Term Disability benefits, pursuant to the provisions as outlined in Article 10, upon the 180-calendar day elimination period from the date of incapacity. The donated PA hours do not extend the 180-day period for Long Term Disability (“LTD”).
ARTICLE 9
SHORT TERM DISABILITY LEAVE

9.1 A regular full-time Officer who has been certified by a qualified medical physician as being unable to perform the duties of his/her position due to a non-work-related accident, injury or illness may request Short Term Disability ("STD") benefits as follows:

A. Beginning on the twenty-first (21st) work day of an incapacity (which 20 days are unpaid if the Officer has previously exhausted all other paid leave), the Officer is eligible to receive a percentage of his/her regular straight time rate of pay for up to 180 calendar days until he/she returns to work, is capable of returning to work, or is eligible for total disability in accordance with Article 14.6 of this Agreement. The percentage of an Officer’s salary he/she receives is based on years of continuous full-time service as specified below:

- less than one year of service: 0%
- one to three years of service: 50%
- four to eight years of service: 60%
- nine to thirteen years of service: 70%
- fourteen to eighteen years of service: 80%
- nineteen plus years of service: 90%

B. Prior to receiving STD benefits, an Officer must use all sick and vacation leave as well as personal holidays.

C. In addition, to receive STD benefits an Officer must provide the Township with a certification from a qualified physician verifying the Officer’s incapacity to perform the duties of the Officer’s position or other duties as established by the Township. The Township reserves the right to require that any Officer who requests STD be examined by a physician of the Township’s choosing at the Township’s expense.

D. In the event of conflicting opinions from examining physicians, the Township at its sole discretion may require the Officer be examined by a mutually agreeable third physician to make a final determination regarding the Officer’s eligibility for STD benefits. The Township may request such medical updates concerning an Officer’s condition and expected date of return to work as deemed reasonable by the Township. The Township may require an Officer to be examined by a physician of the Township’s choosing at any time during the STD period.

E. Benefits are awarded when the Township and the Officer mutually agree upon the Officer’s medical condition, prognosis and length of disability. In the event there is non-compliance with any provisions of the policy, the Township reserves the right to deny benefits. In the event there are conflicting medical reports, the third physician will be final and binding (not subject to the grievance procedure) upon both the Township and the Officer.
ARTICLE 9
SHORT TERM DISABILITY LEAVE
(CONTINUED)

9.2 The Township will continue health insurance coverage (as otherwise provided for in this agreement), until STD payments cease (see Article 9.5 below). After STD, if an Officer has not returned to work, he/she has the option of purchasing health insurance coverage through the Township in accordance with applicable state and federal laws (i.e. COBRA), or choosing to no longer be covered by health insurance through the Township.

9.3 In the event an Officer does not return to work after STD, the Township may recover its share of health insurance premiums paid on behalf of the Officer during the entire period of STD unless the reason the Officer does not return is due to the Officer’s continued incapacity.

9.4 Officers on STD will not accrue benefits, including sick, vacation and personal leave. Officers will be paid for Township Holidays that occur while they are on STD at the appropriate percentage of STD pay at straight time and hours. Upon return to regular duty or other duties as established by the Township, an Officer will be credited with salary increases, if any, and leave allotments. Upon an Officer’s return to work for a minimum of twenty (20) workdays exclusive of any absences, salary increases will be paid retroactive to the date on which the Officer was scheduled to receive the increase if the Officer had not been on STD. Officers on STD who cross the calendar year remain on STD and do not receive the new allotment of paid leave. Paid leave allotments for the current calendar year will be restored retroactive to the date on which the Officer was scheduled to receive the leave if the employee had not been on STD. The percentage of an Officer’s salary he/she receives is based on years of continuous full-time service as specified in Article 9.1(A).

9.5 Payments cease when the earliest of the following occurs:

A. the Officer returns to work;
B. the Officer is physically capable of returning to work as certified by a qualified physician;
C. the Officer becomes eligible for total disability in accordance with Article 14.6 of this Agreement;
D. the Officer begins receiving payments from any other source; e.g. workers’ compensation, total disability; or
E. the Officer has been out of work for 180 calendar days.
ARTICLE 9
SHORT TERM DISABILITY LEAVE
(CONTINUED)

9.6 An Officer on STD who receives payments from any other source must reimburse the Township for all STD payments paid to the Officer for the same period of time as covered by the other source(s).

9.7 In order to return to work after STD leave, the Officer must provide the Township with written certification by a qualified medical physician that he/she is once again able to perform the duties of his/her position.

9.8 In the event of an unclear or confusing medical situation and/or unclear, confusing, conflicting, inconclusive or contradictory medical documentation, the Township has the sole discretion to require an Officer to undergo an Independent Medical Examination (IME) at any time to determine whether the employee is able to work and under what conditions. The IME will be at the Township’s expense with a physician mutually selected and agreed upon.

9.9 STD benefits shall only be granted for bona fide incapacity. Any fraud on the part of the Officer in accepting STD pay under other circumstances shall be cause for discharge.
ARTICLE 10
NON-SERVICE-CONNECTED DISABILITY/LONG TERM DISABILITY

10.1 An Officer who has been certified by a qualified medical physician as being unable to perform the duties of his/her position due to a non-work-related accident, injury or illness may apply for Non-Service-Connected Disability/Long Term Disability (“NSCD/LTD”) benefits as follows:

A. An Officer who is partially or totally disabled is eligible for LTD benefits after 180 calendar day elimination period from the date of incapacity. Said Officer may apply for NSCD/LTD consideration during his/her 180 calendar day waiting period through the Department of Human Resources. Any donated PA hours pursuant to Article 8.9(E)(3) will not extend the 180-day period.

B. Said Officer must complete the necessary paperwork from the insurance carrier provided by the Department of Human Resources, which includes statements from a qualified medical physician, the Officer, and the Township. The Officer’s claim will be reviewed and a determination made by the insurance carrier.

C. Upon approval, the Officer will be eligible to receive sixty-six and two-thirds percent (66 2/3%) of his/her first $7,500 of monthly earnings as of the date of incapacity, reduced by deductible income.

D. LTD benefits are paid for the first twenty-four (24) months wherein the Officer is unable (disabled) to perform his/her “own occupation” - the duties and functions of a Police Officer. From the end of the “own occupation” period (24 months), the Officer must be disabled from any occupation/gainful employment in order to continue receiving NSCD/LTD benefits. With medical certification, benefits may continue to age 65.

10.2 If the Officer returns to work during his/her 180 calendar day elimination period, but is unable to remain for thirty (30) days, the original 180 day elimination period will be resumed.

10.3 A. Upon completion of the 180 calendar day elimination period, all forms of an Officer's compensation and benefits shall cease, and shall not be resumed unless the Officer is reinstated to full-time active duty. These shall include, but not be limited to: wages, longevity pay, night differential, paid and unpaid leave, cleaning and clothing allowances, educational refund, and participation in the Section 125 Plan and the 457 Deferred Compensation Plan. The affected Officer will be permitted to purchase health insurance in accordance with COBRA, which shall include a two percent (2%) administrative fee.

B. In addition, seniority shall be frozen as of the 180th day; life insurance shall be as outlined in the NSCD Plan; pension service credits shall not accrue; compliance with the contractual residency requirement shall be maintained; and any Township-owned equipment, including the Officer's badge and gun, shall be turned in to the Police Department no later than 9:00 A.M. on the 181st day.
ARTICLE 10
NON-SERVICE-CONNECTED DISABILITY/LONG TERM DISABILITY
(CONTINUED)

C. If the Officer returns to full-time active duty, the Officer shall be reinstated at the same rank as he/she held prior to the onset of the 180 calendar day elimination period. An Officer's previous assignment will not be held for the Officer. Wages and benefits will resume immediately in accordance with the contract terms then in existence, with no retroactive pay or credit for the cessation period, except that longevity pay, and the cleaning and clothing allowances will resume upon completion of one full calendar year of continuous active service. There shall be no prorated longevity pay for partial calendar years. Paid leave will be prorated based upon active service only.

D. An Officer must be capable of all essential functions and meet any physical standards of a Police Officer in order to qualify for reinstatement to full-time active duty.

10.4 If an Officer is unable to return to work where the Officer must be capable of performing all essential functions of a Police Officer and meet any and all standards of a Police Officer without restrictions, upon being on NSCD/LTD for twenty-four (24) months, the Township will endeavor to provide notification at the 24th month that when the Officer reaches a maximum of thirty-six (36) months, a position will no longer be held for that Officer (completely removed from employment). If, however, it is determined that said Officer’s restrictions are permanent prior to the 36 months, it is the Officer’s responsibility to notify the Township of the medical determination. At such time, a position will no longer be held for that Officer (completely removed from employment).

10.5 Any failure on the Township’s part to not provide notification at or after the 24 months as referenced above shall not act as a waiver by the Township that upon the Officer reaching the 36 months a position will no longer be held. Such failure to notify will not preclude the Township from seeking updated medical information on the status of an Officer receiving a NSCD/LTD at any time thereafter under the terms of this Agreement. In addition, the Township reserves the right to seek more frequent medical certifications if there is reason to believe the Officer’s medical situation has changed.

10.6 A position will no longer be held for any Officer on a NSCD/LTD (completely removed from employment) upon reaching a maximum of 36 months/three (3) years on NSCD/LTD.
ARTICLE 11
BEREAVEMENT LEAVE

11.1 An Officer shall be entitled to a leave of absence with pay at said Officer’s regular straight time rate for a maximum of up to three (3) work days (for Officers working the twelve (12) hour shift schedule, a “day” of bereavement shall be one twelve (12) hour shift) in the case of death in said Officer’s immediate family; namely, husband or wife, child, parent, brother, sister, grandparent, or other relative residing in said Officer’s household. The leave of absence shall be taken during the period between the date of death and the day following burial, both inclusive, and provided further that the employee offers valid proof of death and relationship upon request. An Officer eligible for bereavement leave who must travel over 200 miles one-way to attend a funeral of an immediate family member shall be granted one (1) additional day whereby, for Officers working the twelve (12) hour shift schedule, a “day” of bereavement shall be one twelve (12) hour shift leave of absence with pay, provided that, upon request by the Township, the employee offers valid proof of the location of the funeral.

11.2 A maximum of one (1) work-day (for Officers working the twelve (12) hour shift schedule, a “day” of bereavement shall be one twelve (12) hour shift of leave) will be granted for the death of a mother-in-law or father in-law.

11.3 The Superintendent of Police (or his/her designee) may, due to extenuating circumstances, extend or reduce the leave of absence period.
ARTICLE 12
INSURANCE FOR ACTIVE OFFICERS

12.1 Coverage:

The Township shall reserve the right to replace any and all health insurance providers with different providers or with self-insurance, assuming that substantially comparable coverage is maintained. Before any health carrier provider changes for hospital, medical, surgical, dental, prescription, or vision are instituted by the Township, the Township agrees to meet and discuss the change(s) with the bargaining unit.

12.2 Eligibility:

A. Effective January 1, 2017 through February 28, 2017:
   1. Officers hired prior to September 13, 2004 shall be eligible to remain in the Health Maintenance Organization (“HMO”) $2 Plan or, the Township’s Preferred Provider Organization (“PPO”) Plan or have the option to enroll in the HMO $10 or HMO $15 Plan.
   2. Officers hired between September 13, 2004 and December 31, 2009 shall be eligible to enroll in the HMO $2 or HMO $10 or HMO $15 Plans.
   3. Officers hired between January 1, 2010 and December 31, 2012 shall be eligible to enroll in the HMO $10 or HMO $15 Plans.
   4. Officers hired on or after January 1, 2013 shall only be eligible to enroll in the HMO $15 Plan.
   5. Effective January 1, 2014 the HMO $2 Plan will be closed for new enrollments. Those Officers enrolled in the HMO $2 Plan will be “grandfathered” and may remain in the plan, but may not re-enter the plan once having left after January 1, 2014.
   6. The above medical plans all include infertility benefits.
   7. All Officers shall be eligible to enroll in the Township’s dental and vision plans.

B. Effective March 1, 2017:
   1. All Officers, regardless of date of hire, shall be eligible to enroll in the High Deductible Health Plan (“HDHP”), with integrated prescription coverage, with a $2,000 deductible for individual coverage and a $4,000 deductible for multiple person coverage. Multiple person coverage will include an embedded deductible of $2,600 per person. This plan requires no co-pays after the deductible is met. The HDHP does not require referrals or the need to select a primary care physician. Attached as Addendum “B” is a Summary of Benefits and Coverages provided under the plan.
ARTICLE 12
INSURANCE FOR ACTIVE OFFICERS
(CONTINUED)

2. It is expressly understood that the Township will provide medical coverage which has substantially comparable coverage provisions to the PPO and HMO plans in effect under the 2013-2016 Collective Bargaining Agreement (as summarized in Addendum “A,B,C & D” attached to the 2013-2016 Agreement) in a High Deductible Health Plan (HDHP) format, subject to the annual deductibles and benefit enhancements contained in the HDHP as described in the Summary of Benefits and Coverages attached as Addendum “B” of this Agreement.

The efforts to summarize the current medical coverage in Summary Plan Documents, which are now required in format and content by federal law, is not in any way intended to limit the ability of the FOP to identify other aspects of the new plan that may need adjustment in order to more closely provide substantially comparable coverages as those provided under the prior medical plan options. If the FOP identifies coverage adjustments perceived to be needed to provide substantially comparable coverage as provided under the prior medical plan options the Township will meet and discuss such adjustments with the FOP and if no resolution is reached the matter may be considered as any other contract interpretation matter through the grievance and arbitration procedure.

3. All Officers enrolled in any of the plans listed in Article 12.2(A) shall be enrolled in the High Deductible Health Plan (“HDHP”) effective March 1, 2017.

4. The Township shall establish and administer a Health Savings Account (“HSA”) for all Officers. The Township shall, each year, fund the HSA of each Officer with an amount equal to 75% of the annual deductible applicable to the plan in which that Officer participates during that year (e.g., if the Officer has single coverage but during that year is entitled to multiple person coverage, the HSA for that Officer shall be subject to an additional employer contribution so as to bring the funding to 75% of the deductible applicable to a multiple person plan). The Officer will be responsible for funding the remaining portion of the annual deductible after the Township’s funding of the HSA, and may fund that responsibility by making contributions to their HSA. Officers may also make additional contributions to their HSA up to the annual limit allowed by law.

5. All Officers enrolled in the High Deductible Health Plan shall be eligible to receive infertility benefits, as set forth in Addendum “B”.

6. All Officers shall also be eligible to enroll in the Township’s dental and vision plans.
ARTICLE 12
INSURANCE FOR ACTIVE OFFICERS
(CONTINUED)

12.3 Cost Sharing:

A. Effective January 1, 2017 through February 28, 2017:

1. All Officers enrolled in the Township’s PPO and HMO $2 medical plan shall contribute six percent (6.0%) of the total annual premium for integrated medical and prescription, dental and vision benefits for him/herself, spouse, and/or dependents.

2. All Officers enrolled in the Township’s HMO $15 medical plan shall contribute four percent (4.0%) of the total annual premium for integrated medical and prescription, dental and vision benefits for him/herself, spouse, and/or dependents.

3. All Officers enrolled in the Township’s HMO $10 medical plan shall contribute three percent (3.0%) of the total annual premium for integrated medical and prescription, dental and vision benefits for him/herself, spouse, and/or dependents.

B. Effective March 1, 2017:

1. Officers enrolled in the Township’s HDHP integrated medical and prescription plan, and/or dental, and/or vision coverage shall contribute four percent (4.0%) of the annual premium of the coverage provided to the Officer, their spouse, and/or dependents.

2. There shall be a ten percent (10%) rolling cap on the Officer's contribution using the 2017 base year contribution. Therefore, the Officer's contribution for his/her annual premium of the HDHP integrated medical and prescription plan, and/or dental, and/or vision coverage provided to the Officer, their spouse, and/or dependents in 2018 will be no more than ten percent (10%) greater than the contribution for that respective healthcare plan in 2017. The Officer's contribution for his/her healthcare plan in 2019 will be no more than twenty percent (20%) greater than the contribution for that respective healthcare plan in 2017. The Officer's contribution for his/her healthcare plans in 2020 will be no more than thirty percent (30%) greater than the contribution for that respective healthcare plan in 2017.

12.4 Dental Plan:

The Township shall provide all Officers with a Dental Care Plan which provides 100% of the dental carrier’s maximum allowable charge coverage for preventive services. Class II services (fillings, extractions, endodontics, oral surgery, periodontics and anesthesia) and Class III services (inlays, onlays crowns, bridges, dentures, crowns and prosthetics, etc.) will require a $50 annual deductible for single and $150 annual deductible for family. Attached as Addendum “C” is a Summary of Benefits provided under the Dental Plan. The orthodontics rider shall be $2,500 maximum lifetime payment per dependent.
ARTICLE 12
INSURANCE FOR ACTIVE OFFICERS
(CONTINUED)

12.5 Vision Care:

The Township shall provide all Officers with a Vision Care Plan with family coverage. Attached as Addendum “D” is a Summary of Benefits provided under the Vision Plan. If the Township’s carrier changes during the term of this Agreement, coverage will remain substantially the same.

A. Effective January 1, 2017 thru February 28, 2017:

1. The Township will provide vision exams, lenses and frames once every twenty-four (24) months for adults and once every twelve (12) months for dependent child(ren) to age 19 from the last date of service. With respect to the preceding sentence, coverage for frames shall not exceed $60. Coverage for lenses, including solid or gradient lens tints, ultra violet (UV) protective coating and premium two (2) year scratch protection, or contact lenses shall not exceed $200.

B. Effective March 1, 2017:

1. The Township will provide vision exams, lenses and frames once every twelve (12) months from the last date of service for adults and dependent child(ren) to age 26. With respect to the preceding sentence, coverage for frames shall not exceed $60. Coverage for lenses, including solid or gradient lens tints, ultra violet (“UV”) protective coating and premium two (2) year scratch protection, or contact lenses shall not exceed $200.

12.6 Prescription Plan:

A. Prescription at Retail:

1. Effective January 1, 2017 through February 28, 2017:

The Prescription Plan is a thirty (30) day supply (or less if so prescribed) for drugs per one co-pay at retail using a three (3) tier “Formulary” structure in which generic and formulary/preferred brand drugs are outlined on the formulary list designed and administered by the Preferred Benefit Manager (“PBM”). The co-pays are: $5 for generic drugs, $20 for brand drugs that are listed on the formulary (preferred) list with no equivalent generic drug available, and $30 for brand drugs that are not on the formulary (non-formulary/non-preferred) list.

2. Effective March 1, 2017:

As noted above, the Township will provide prescription coverage integrated with the HDHP, with a $2,000 deductible for individual coverage and a $4,000 deductible for multiple person coverage. Multiple person coverage will include an embedded deductible of $2,600 per person. This plan requires no co-pays after the deductible is met.
ARTICLE 12
INSURANCE FOR ACTIVE OFFICERS
(CONTINUED)

The Township will request that the PBM include at least one preferred brand name drug in each therapeutic group; that is, medications whose purpose is to treat a particular condition.

B. Member Pays the Difference/Generic Incentive:

When a brand drug has a generic drug available, but the member chooses the brand drug, that individual must pay the difference out of pocket (which is called “member pays the difference” also known as “generic incentive.”)

C. Prescription thru Mail:

1. Effective January 1, 2017 through February 28, 2017:

The Mandatory Mail Program is required for maintenance drugs at twice (2 times) the retail co-pay amounts for a ninety (90) day supply using a three (3) tier “Formulary” structure in which generic and formulary/preferred brand drugs are outlined on the formulary list designed and administered by the PBM. The co-pays are: $10 for generic drugs, $40 for brand drugs that are listed on the formulary (preferred) list with no equivalent generic drug available, and $60 for brand drugs that are not on the formulary (non-formulary/non-preferred) list. Officers must use the mail order feature for maintenance medication which are prescriptions that require more than one refill. After the initial fill plus one (1) refill per medication per strength, the Plan will cover maintenance medication through the Mail Order Program.

2. Effective March 1, 2017:

“Maintenance Medications” (medications taken on a monthly, continuing basis for chronic conditions) may be processed through the mail-order pharmacy or at a retail pharmacy of the Officer’s choice.

D. Exclusions, Prior Authorizations, Quantity Limits:

In addition to the above referenced “member pays the difference” also known as “generic incentive,” the Prescription Plan has certain drugs which are excluded because they are either covered under the medical plan or used for cosmetic purposes, etc. In addition, some drugs have set quantity limits and/or require prior authorization which is established by the PBM. Increases in quantity limit amounts must be authorized by the employee’s physician and the PBM.

E. Specialty and Step Therapy Programs:

Certain expensive drugs, for example, injectables for chronic or genetic conditions, are excluded from the Township’s medical plans. Instead, the member is eligible to receive these “specialty” drugs through the mail only.
“Step Therapy” requires the use of one product before another can be obtained. For certain drugs, a prior authorization may also be required to substantiate that continued use is medically necessary.

The “Traditional Generic Step Therapy” program is a program whereby a non-preferred drug requires that a cost effective generic alternative is first prescribed and utilized prior to any single-source brand being covered and utilized. If a generic has not been tried in the look-back period determined by the PBM, a participant will be required to switch to a generic for certain medical condition’s drug classes. If participant is unable to remain on the generic medication his/her treating physician will have to provide documentation to substantiate that it is medically necessary for him/her to receive the brand medication.

F. Infertility Prescription Medications

There is a $25,000 lifetime maximum allowable benefit on all infertility medications.

12.7 Life Insurance:

Life insurance in the sum of Eighty Thousand Dollars ($80,000) shall be provided for all Officers while in active service. Pursuant to federal law, the value of insurance provided in excess of Fifty Thousand Dollars ($50,000) is subject to federal income tax.

The face value of the group life insurance ($80,000) provided to active Officers is reduced by 25% at age 65 (to $60,000) and by 50% at age 70 (to $40,000) effective the first of the month following the Officer’s birthday.

The Township will maintain a supplemental life insurance plan. All premium and plan costs other than internal Township administrative costs shall be paid by the participants. The Township reserves the sole right to select the insurance carrier and to limit the opportunity for payroll deduction changes to twice (two times) per year unless federal law is more restrictive.
ARTICLE 12
INSURANCE FOR ACTIVE OFFICERS
(CONTINUED)

12.8 Wellness Programs:

Officers will be required to participate in mandatory wellness programs that could lead to healthier lifestyle choices. Classes will be held during normal working hours and attendance will be coordinated through the Police Department.

12.9 Decline of Coverage – Opt Out Waiver Program:

A. Effective January 1, 2017 through February 28, 2017:

The Township shall provide each Officer the opportunity to choose to entirely drop or decline coverage for Basic and/or Extended health benefits, if coverage for the Officer and his/her spouse and dependents can be obtained through the employer of the Officer’s spouse or through other means. An Officer who declines Township-provided integrated medical and prescription coverage and/or extended health benefits (dental and vision) shall receive a monthly flat dollar reimbursement based upon date of hire. Refer to Addendum “E” for the respective amounts. Such monthly amount will be paid in the first full pay of the following month.

Upon separation from employment, the Officer shall be entitled to receive a pro-rated opt-out payment, calculated based upon the date of the Officer’s separation.

Upon dropping or declining coverage, each Officer shall be provided the opportunity to re-enroll in a Township-provided health care plan once per year, at a time prescribed by the Township (see Article 12.9(F)).

B. Effective March 1, 2017:

Officers will continue to have the option to opt-out of all coverages (integrated medical and prescription, dental and vision); integrated medical and prescription; or dental and vision bundled together. Officers cannot opt-out to enroll in the ACA Health Exchange, Insurance Marketplace or Medicare. An Officer who declines Township-provided coverage shall receive a monthly flat dollar reimbursement, based upon the officer’s date of hire. Refer to Addendum “E” for the respective amounts. Such monthly amount will be paid in the first full pay of the following month. Upon separation from employment, the Officer shall be entitled to receive a pro-rated opt-out payment, calculated based upon the date of the Officer’s separation.

C. Officers will not be automatically re-enrolled in the Opt-Out Waiver Program from one calendar year to another. In order to receive the opt-out at the beginning of a calendar year, Officers must complete the necessary forms. If an Officer fails to return a timely notice of participation in the opt-out program, such will result in forfeiture of the reimbursement if the Officer is negligent in responding or completing the required paperwork. Such Officer shall only receive a pro-rated reimbursement covering the
ARTICLE 12
INSURANCE FOR ACTIVE OFFICERS
(CONTINUED)

number of months remaining in any given year so long as such Officer has not been re-enrolled in any health benefit program offered by the Township during the course of the year. It is not the responsibility of the Township to remind an Officer that the Officer will not be automatically re-enrolled.

D. Should any of the core benefit plans change during the course of this contract so that an Officer cannot opt-out of an extended benefit without also opting out of the core medical benefit, then the opt-out provision will be similarly designed.

E. In order to opt-out of health care benefits, an Officer must sign a waiver and show proof of core coverage elsewhere.

F. An Officer who opts out of medical benefits will be eligible to re-enroll during the annual open enrollment period, or to re-enroll as a late entry should the Officer lose his/her outside health benefits as the result of a life event as defined by the insurance provider.

G. Re-entry into extended benefit plans will require a waiting period.

H. In cases where the Township employs both spouses, the opt-out will not apply unless health coverage is provided by a source other than the Township.

I. Opt-out payments earned after January 1, 2017 will not be included in the Officer’s final average salary (“FAS”) pension calculation, nor shall they be subject to a pension deduction/contribution.

12.10 Dependent Coverage:

A. Officers are eligible to enroll their spouse and dependents in Township integrated medical and prescription, dental and vision benefits, subject to the applicable premium cost-sharing provisions.

B. In order to have a dependent on Township coverages and/or in the opt-out program, Officers are required to provide a marriage certificate for a spouse and a birth certificate(s) for biological child(ren) and/or step child(ren).

C. Effective January 1, 2017 through February 28, 2017:

Dependents who reach age 19 must student certify (12 credited hours) to remain enrolled in dental and vision coverage to age 23. Dependents who reach age 19 must student certify (12 credited hours) to remain enrolled in the opt-out program to age 23. If the dependent is able to student certify, the dependent will remain on dental and vision coverage to the last day in which the dependent reaches age 23. If an Officer’s dependent (age 19 to 23rd birthday) is not able to student certify, the dependent will be terminated from dental and vision coverage and/or from the opt-out program on the last calendar day.
ARTICLE 12
INSURANCE FOR ACTIVE OFFICERS
(CONTINUED)

of the month in which the dependent can no longer student certify. It is the Officer’s responsibility to inform the Township if an adult dependent child is no longer able to certify student status, i.e., drops out of school, does not maintain 12 credited hours, graduates, etc.

If the dependent is able to student certify, the dependent will remain eligible for the opt-out program to the last day of the month in which the dependent reaches age 23. If an employee’s dependent (ages 19 to 23rd birthday) is not able to student certify, the dependent will be terminated on the last calendar day of the month in which the dependent can no longer student certify. It is the Officer’s responsibility to inform the Township if an adult dependent child is no longer able to certify student status, i.e., drops out of school, does not maintain 12 credited hours, graduates, etc.

Upon reaching age 26, dependents will be terminated from medical and prescription coverage.

D. Effective March 1, 2017:

Dependents may remain enrolled in integrated medical/prescription, dental and vision coverage until midnight of their 26th birthday. Dependents previously removed from dental and vision coverage due to non-full-time student status may re-enroll in dental and vision coverage until midnight of their 26th birthday.

Dependents who reach age 19 must student certify (12 credited hours) to remain enrolled in the opt-out program to age 23. If the dependent is able to student certify, the dependent will remain in the opt-out program to the last day in which the dependent reaches age 23. If an Officer’s dependent (age 19 to 23rd birthday) is not able to student certify, the dependent will be terminated from the opt-out program on the last calendar day of the month in which the dependent can no longer student certify. It is the Officer’s responsibility to inform the Township if an adult dependent child is no longer able to certify student status, i.e., drops out of school, does not maintain 12 credited hours, graduates, etc.

12.11 Section 125 Plan/Health Savings, Medical and Dependent Care Accounts:

The Township offers a Section 125 Plan for the Officer’s co-payments for medical spending and dependent care accounts to include the Officer’s contributions for other allowable expenses so as to provide a federal tax-free benefit to the Officers. All expenses of the third-party administrator (TPA) for the expanded portion of the plan will be borne by the participants on a pro rata basis, unless the Township pays on behalf of the participants. The Township reserves the sole right to select the TPA, and to limit the opportunity for payroll deduction in accordance with federal law.
ARTICLE 12
INSURANCE FOR ACTIVE OFFICERS
(CONTINUED)

12.12 Wrap-Around Plan and Coordination of Benefits:

The “Wrap-Around Plan” for the “Coordination of Benefits” (“COB”) prohibits double coverage for married and retired employees. The prohibition of double coverage shall not bar any Police Officer from access to coverage available to the Officer or the Officer’s covered dependents pursuant to this Agreement. Therefore, if a police employee is married to another Township employee, then the Officer and covered dependents may elect to receive any coverage to which they are entitled under this Agreement, in which case the other employee and other dependents must relinquish coverage otherwise provided by the Township to them in favor of the coverage provided through the Officer. Alternatively, the Officer can elect to receive medical benefits through the other employee as outlined:

A. Any bargaining unit employee or Retiree married to any other Township employee, whether part of the bargaining unit or not, must enroll in the same health care plan as his/her spouse. In addition, no employee or retiree can be enrolled in more than one Township healthcare plan.

B. Within the selected plan, employees married to one another must enroll in a plan level’s coverage with the lower cost to the Township. For example, the employees must enroll as “employee/spouse” rather than two “single” plans, if the “employee/spouse” coverage is less expensive.

C. For Officers married to one another or to another Township employee who enroll in the HDHP with a child(ren), the employees must enroll as “family” coverage rather than two (2) single plans or one (1) single plan and one (1) employee/child(ren) plan.

D. Married Township employees enrolled in the HDHP will receive the Township contribution of 75% of the family/multi deductible as applicable in 2017, 2018, 2019 and 2020.

E. A Retiree married to a Township employee or who becomes an active Township employee in another Township position must enroll in the coverage with the lower cost to the Township.

F. Married Township employees or a Retiree married to a Township employee will not be permitted any “double coverages” whereby both employees may have “family” coverage for extended benefits, i.e. dental and vision.

G. Regarding the four preceding paragraphs, the term “Retiree” applies only to bargaining unit members who retire on or after January 1, 2017.
12.13 **Officers Killed-in-Action:**

A. In the event that an Officer dies in the line of duty, the Township shall provide retiree health care benefits (which include prescription) as well as dental and vision benefits for the deceased Officer’s surviving spouse and dependent children at no cost to the Officer’s survivors. The Township reserves the right to provide the surviving spouse and dependents comparable coverage under an alternative plan(s) in the event the plan(s) available at the time of the Officer’s death is no longer available to retired Officers.

B. Coverage will continue for the children until they are no longer considered a “dependent” as defined by the basic insurance plan in which they are enrolled or until they are otherwise covered by a comparable plan, whichever comes first.

C. Coverage will continue for the surviving spouse until the spouse becomes eligible for Medicare, is otherwise covered by a comparable plan or remarries, whichever comes first.

12.14 **Grace Period:**

Upon the death of an active Officer, the Township will offer a grace period of healthcare for the current month plus an additional two (2) months of integrated medical and prescription, dental and vision coverages for the spouse and/or dependents, if they are not eligible for the “12.13 Killed in Action” benefit.
ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS

13.1 Coverage:

In the event any and all healthcare insurance providers inform the Township that said healthcare coverage is no longer available, with no intent to diminish coverage, the Township will attempt to find substantially comparable coverage, which will then be offered, if possible.

13.2 Eligibility:

The benefits set forth in this Article shall be provided to the Retired Officer, and the Officer’s Spouse, as defined in Article 13.3. This Article shall not affect (i.e., alter, reduce or increase) the benefits of any Officer who retired, was granted a service-connected total disability pension, or terminated employment prior to January 1, 2017.

13.3 Retiree Health Insurance:

A. For the purpose of this Article only, the following definitions will apply:

1. “Retired Officer/Retiree” – An Officer who retires on or after January 1, 2017. Medical benefits described under this Article shall apply immediately upon retirement to Officers who retire after reaching age 50 and 25 years of service, or have been granted a service-connected total disability pension. An Officer who retires with twenty (20) years of continuous service, regardless of age, pursuant to Article 14.5(A) (Early Retirement), shall not receive Retiree health care benefits until the Retired Officer reaches age and service (“Normal Retirement Date”), upon which the Retired Officer shall be eligible for Retiree medical benefits that will mirror the plan provided to active Officers. Upon reaching Normal Retirement Date, if the Officer elects to receive Retiree integrated medical and prescription benefits, said Officer will be subject to the same terms and conditions as are applicable to a normal Retiree as outlined in this Article. Said medical benefits will not apply for Officers on non-service-connected total disability or any other form of employment separation.

2. “Spouse” – The husband or wife of an Officer who was married to the Officer at the time of his/her retirement. The Spouse of an Officer who retires with twenty (20) years of continuous service, regardless of age, pursuant to Article 14.5(A), shall not receive Retiree spousal health care benefits until the Retired Officer reaches age and service (“Normal Retirement Date”), upon which the Spouse shall be eligible for Retiree spousal medical benefits that will mirror the plan provided to active Officers. Upon the Officer’s reaching Normal Retirement Date, if the Spouse elects to receive Retiree spousal integrated medical and prescription benefits, said Spouse will be subject to the same terms and conditions as are applicable to the Spouse of a normal Retiree as outlined in this Article.
ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

3. “Medical Plan” – For Officers who retire January 1, 2017 through February 28, 2017, the Township shall provide a Retiree HMO medical plan for the Retired Officer and Spouse who are not on Medicare. For Officers who retire on or after March 1, 2017, the post-retirement healthcare plan for the Retired Officer and Spouse who are not on Medicare will mirror the plan provided to active Officers, and shall be subject to the same Township funding of the Officer’s Health Savings Account (“HSA”) and the Officer premium contribution rate as applies to active Officers. These same requirements regarding Township funding of the Health Savings Account (“HSA”) and premium contributions shall apply to the Retired Officer’s Spouse when the Spouse is not on Medicare.

The Township shall establish and administer a Health Savings Account for the Retired Officer and Spouse. The Township shall, each year, fund the HSA of the Retired Officer and Spouse with an amount equal to the amount which is contributed on behalf of active Officers. However, if the law requires that the Retiree contribution be made by a particular means (e.g., Health Reimbursement Arrangement (“HRA”) as opposed to HSA) then such modification shall be implemented.

4. “Prescription Plan” – For Officers who retire January 1, 2017 through February 28, 2017, the Township shall provide prescription coverage as outlined in Article 13.3(B) for the Retired Officer and Spouse who are not on Medicare. For Officers who retire on or after March 1, 2017, the post-retirement prescription plan for a Retired Officer and Spouse who are not on Medicare will mirror the plan provided to active Officers, and shall be subject to the same premium contribution rate as apply to active Officers.

5. “Dental and/or Vision Coverage” – Retirees shall have the option of obtaining dental and/or vision coverage for the Retiree, Spouse and/or dependent children by paying the costs thereof.

B. Retiree Prescription Coverage

1. Prescription at Retail

For Officers who retire January 1, 2017 through February 28, 2017:

The Prescription Plan is a thirty (30) day supply (or less if so prescribed) for drugs per one co-pay at retail using a three (3) tier “Formulary” structure in which generic and formulary/preferred brand drugs are outlined on the formulary list designed and administered by the Preferred Benefit Manager (PBM). The co-pays are: $5 for generic drugs, $20 for brand drugs that are listed on the formulary (preferred) list with no equivalent generic drug available, and $35 for brand drugs that are not on the formulary (non-formulary/non-preferred) list.
ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

For Officers who retire on or after March 1, 2017, the Prescription Plan will mirror the plan provided to active Officers as noted in Article 12.6.

2. Prescription thru Mail:

For Officers who retire January 1, 2017 through February 28, 2017:

Maintenance drugs can be ordered through the mail at twice (2 times) the retail co-pay amounts for a ninety (90) day supply using a three (3) tier “Formulary” structure in which generic and formulary/preferred brand drugs are outlined on the formulary list designed and administered by the PBM. The co-pays are: $10 for generic drugs, $40 for brand drugs that are listed on the formulary (preferred) list with no equivalent generic drug available, and $70 for brand drugs that are not on the formulary (non-formulary/non-preferred) list.

For Officers who retire on or after March 1, 2017:

“Maintenance Medications” (medications taken on a monthly, continuing basis for chronic conditions) may be processed through the mail-order pharmacy or at a retail pharmacy of the Officer’s choice.

The Township will request that the PBM include at least one preferred brand name drug in each therapeutic group; that is, medications whose purpose is to treat a particular condition.

3. Member Pays the Difference/Generic Incentive:

When a brand drug has a generic drug available, but the member chooses the brand drug, that individual must pay the difference out of pocket (which is called “member pays the difference” also known as “generic incentive”).

4. Exclusions, Prior Authorizations and Quantity Limits:

In addition to the above referenced “member pays the difference” also known as “generic incentive,” the prescription plan has certain drugs which are excluded because they are either covered under the medical plan or used for cosmetic purposes, etc. In addition, some drugs have set quantity limits and/or require prior authorization which is established by the PBM. Increases in quantity limit amounts must be authorized by the employee’s physician and the PBM.
ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

5. **Specialty and Step-Therapy Programs:**

   Certain specialty drugs, for example, injectables for chronic or genetic conditions, are excluded from the Township’s medical plans. Instead, the member is eligible to receive these “specialty” drugs through the mail only.

   “Step Therapy” requires the use of one product before another can be obtained. For certain drugs a prior authorization may also be required to substantiate that continued use is medically necessary.

C. **Retiree Healthcare Contribution:**

   1. Officers hired prior to 2006 that retire between January 1, 2017 and February 28, 2017 will contribute three percent (3.0%) of the total annual premium for core monthly medical and prescription Retiree coverage of which the Retiree selects or is eligible to select, for Single (Officer only) or Husband/Wife (Officer plus Spouse), or the Retiree has the option to enroll in the HMO $15 medical plan (and prescription Retiree coverage) with no contribution.

   2. For Officers who retire on or after March 1, 2017, the post-retirement healthcare plan for a Retired Officer and Spouse who are not on Medicare will mirror the plan provided to active Officers, and shall be subject to the same premium contribution rate as applies to active Officers. The same requirement regarding premium contribution shall apply to the Retired Officer’s Spouse when the Spouse is not on Medicare.

13.4 The Township shall provide the medical and prescription benefits to Retired Officer and Spouse, under the following terms and conditions:

A. The Township shall pay the cost of the coverage for the Township Retiree Healthcare, including all increases, subject to the premium contributions set forth herein, as long as the Retired Officer and/or Spouse remain benefit eligible as outlined in Articles 13.5 and 13.6 below.

B. The benefits referenced in this Article shall be secondary to any other similar healthcare coverage to which the Retired Officer is entitled and will either not be provided, or, if provided, will be discontinued for any Retired Officer and/or Spouse who is covered by substantially the same coverage. To be eligible for and prior to receiving the above coverage, the Retired Officer must keep the Township informed concerning his/her non-Township health insurance coverage.
ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

13.5 Retired Officer:

A Retired Officer shall receive the Township Retiree integrated Medical and Prescription Plan, paid for by the Township subject to premium contribution set forth in Article 13.3(C), until the first day of the month in which the Retired Officer reaches age 65 or becomes eligible for Medicare prior to reaching such age due to disability or any other qualifying event, subject to the following:

A. Beginning on the first day of the month in which the Retired Officer reaches age 65 the Township shall have no further healthcare benefit obligation with regard to the Retired Officer, though a Retired Officer or his or her surviving Spouse or dependents may continue to have the right to draw down any balance in a Health Reimbursement Account (“HRA”) to which the Retired Officer is entitled.

B. If the Retired Officer becomes Medicare eligible for any reason prior to reaching age 65, the Township’s provision of healthcare benefits to the Retired Officer shall cease on the first day of the month in which the Retired Officer becomes eligible for Medicare and the Retired Officer shall enroll in Medicare and make Medicare the Retired Officer's primary healthcare coverage. The Township shall also establish, subject to the Internal Revenue Code and other federal and state laws and regulations, a “Medicare” HRA on behalf of the Retired Officer.

1. The Retired Officer shall be entitled to receive contributions into the HRA on a monthly basis, starting with the month in which the Retired Officer becomes eligible for Medicare. Please see Addendum “F” for the monthly contribution which will be adjusted annually by the Consumer Price Index (CPI). This deposit may be used by the Retired Officer to pay for qualifying medical expenses as enumerated by the Internal Revenue Service, which may include fees associated with Medicare coverage and to secure a Medicare supplement program of the Retired Officer's choosing. All HRA contributions shall be made on the first of the month following the month for which an HRA contribution is required.

2. The amount of the monthly contribution shall be adjusted on an annual calendar basis in accordance with the CPI for the Philadelphia region, up to a maximum of 5.0% per year. CPI is measured by the Consumer Price Index (CPI) – Urban Wage Earners and Clerical Workers (CPI-W) for Philadelphia (1982 – 1984 = 100) for the twelve (12) month period ending in August and published in September preceding the January 1st effective date of the adjustment.
ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

3. Unused account balances in the HRA will roll over from year to year. At death or upon the Retired Officer reaching age 65, whichever occurs first, the Township shall cease making payments into the HRA. If the Officer dies, the final HRA contribution will be pro-rated in the month in which the Retired Officer dies. If the Retired Officer reaches age 65, the Township’s final HRA payment will be for the month prior to the month in which the Retired Officer reaches age 65. The Retired Officer or his or her surviving Spouse or dependents may continue to draw on any unused balance remaining in the HRA for qualifying medical expenses until the first day of the month in which the Retired Officer reaches, or would have reached, the age of 73, at which time any remaining account balances shall revert to the Township and the HRA shall be terminated.

13.6 **Spouse:**

The Spouse of a Retired Officer shall receive the Township Retiree integrated Medical and Prescription Plan, paid for by the Township until: divorce, the death of the Retired Officer, the death of the Spouse, the first day of the month in which the Spouse reaches age 65, the first day of the month in which the Spouse becomes Medicare eligible for disability or any other reason, or the expiration of four (4) years from the first day of the month in which the Retired Officer reaches age 65, whichever occurs sooner, subject to the following:

A. **Spouse Becomes Eligible for Medicare Prior to Officer:**

1. Should the Spouse reach age 65 or become eligible for Medicare prior to reaching such age due to disability or any other qualifying event before the Retired Officer reaches age 65, the Township’s provision of healthcare benefits to the Spouse shall cease on the first day of the month in which the Spouse reaches age 65 or becomes eligible for Medicare, and the Spouse shall enroll in Medicare as the Spouse's primary healthcare coverage. If the Spouse becomes eligible for Medicare by reaching age 65, the Township shall have no further healthcare benefit obligation with regard to the Spouse.

2. If the Spouse becomes eligible for Medicare due to disability of any other qualifying event before reaching the age of 65, the Township shall deposit into the HRA on a monthly basis starting with the month in which the Spouse becomes eligible for Medicare, a monthly payment subject to the same terms and conditions, including adjustment for CPI described above for Retired Officers. Refer to Addendum “F”.

3. The Township shall make monthly contributions in the HRA until the earlier of the following occurs: divorce, the death of the Retired Officer, the Spouse’s death, the Spouse reaches age 65, or expiration of four (4) years from the date the Retired Officer reaches age 65. The final HRA payment will be pro-rated for the month in which death or divorce occurs, and otherwise the final payment shall be for that month prior to the month in which the Spouse reaches age 65 or the month prior to the month in
ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

which elapses four (4) years from the date the Retired Officer reaches age 65. All HRA deposits shall be made on the first of the month following the month for which an HRA deposit is required.

B. Spouse Becomes Eligible for Medicare Within Four Years of Officer Reaching Age 65

1. Should the Spouse reach age 65 or become eligible for Medicare prior to reaching age 65 due to disability or any other qualifying event before expiration of four years from the first day of the month in which the Retired Officer reaches age 65, the Township’s provision of healthcare benefits to the Spouse shall cease on the first day of the month in which the Spouse reaches age 65 or becomes eligible for Medicare, and the Spouse shall enroll in Medicare as the Spouse's primary healthcare coverage. If the Spouse becomes eligible for Medicare by reaching age 65, the Township shall have no further healthcare benefit obligation with regard to the Spouse.

2. If the Spouse becomes eligible for Medicare due to disability or any other qualifying event before reaching the age of 65, the Township shall deposit into the HRA on a monthly basis starting with the month in which the Spouse becomes eligible for Medicare, a monthly payment subject to the same terms and conditions, including adjustment for CPI, described above for Retired Officers. Refer to Addendum “F”.

3. The Township shall make monthly contributions into the HRA, until the earlier of the following occurs: divorce, the death of the Retired Officer, the Spouse’s death, the Spouse reaches age 65 or expiration of four (4) years from the date the Retired Officer reaches age 65.

4. The final HRA payment will be pro-rated for the month in which death or divorce occurs, and otherwise the final payment shall be for that month prior to the month in which the Spouse reaches age 65 or the month prior to the month in which elapses four (4) years from the date the Retired Officer reaches age 65. All HRA deposits shall be made on the first of the month following the month for which an HRA deposit is required.

13.7 Extended Coverage:

A. Retired Officer:

1. Any Retired Officer will be permitted to purchase for the Retired Officer and the Retired Officer’s Spouse dental and/or vision coverages (“extended coverages”) in place at the time of the Retired Officer’s retirement, provided such extended coverages are available as stand-alone plans.
ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

2. The Retired Officer shall be solely responsible for paying the full cost of any extended coverages selected. The Retired Officer shall be permitted to select and pay for such extended coverages until the first day of the month in which the Retired Officer reaches age 65, regardless of whether the Retired Officer becomes Medicare eligible prior to reaching age 65 due to disability or any other qualifying event.

B. Spouse:

1. The Spouse of any Retired Officer will be permitted to purchase for him or herself (meaning the Retired Officer’s Spouse) or dependents, dental and/or vision coverages (“extended coverages”) in place at the time of the Retired Officer’s retirement, provided such extended coverages are available as stand-alone plans.

2. The Retired Officer’s Spouse shall be solely responsible for paying the full costs of any extended coverages selected. The Retired Officer’s Spouse shall be permitted to select and pay for such extended coverages until divorce, death of the Spouse, death of the Retired Officer, the Spouse reaches age 65, or the expiration of four (4) years from the first day of the month in which the Retired Officer reaches age 65, whichever occurs first. The Spouse shall cease being eligible to purchase extended coverages as of the first day of the month following that month in which any of the preceding disqualification events occurs.

13.8 Certifications:

Retired Officers and the Officer’s Spouse and/or dependents, will be required to complete an annual healthcare certification form developed solely by the Township. The certification will indicate, among other things, whether the Retired Officer, Spouse and/or dependent is or will become within that calendar year eligible for any other medical coverage, including Medicare. Irrespective of the annual certification form, every Retired Officer, Spouse, and/or dependent receiving medical benefits from the Township shall be required to immediately notify the Township's Human Resources Department if they become, or will become within that calendar year, eligible for any other medical coverage, including Medicare.

13.9 Township paid spousal medical benefits shall cease fourteen (14) calendar days from the date of the death of the Retired Officer.

13.10 A Retired Officer and his/her Spouse shall also have the option of obtaining Retiree integrated Medical and Prescription and/or Dental and/or Vision coverage for his/her dependent children or Spouse whom he/she married after retirement by paying additional costs thereof.
ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

13.11 Life Insurance:

Retired Officers who retire after reaching age 50 and 25 years of service, or who retire early with 20 years of continuous service, or Officers receiving a service-connected total disability pension, shall be provided with life insurance in the sum of Ten Thousand Dollars ($10,000) at the Township’s sole cost.

13.12 Opt-Out and Healthcare Reimbursement Account (“HRA”):

A. A Retired Officer, or Spouse of a Retired Officer, can choose to opt-out of the Township’s group integrated medical and prescription coverage because of other coverage through other employment or through a Spouse’s coverage or other means in favor of the Township’s contribution of dollars to a Healthcare Reimbursement Account (“HRA”).

B. An HRA is similar to a Section 125 Healthcare Flexible Spending Account but funded entirely with Township contributions. Additional contributions by the Retired Officer are not permitted. HRAs reimburse medical expenses defined in Internal Revenue Code (“IRS”) Section 213(d) as “medically necessary” including co-pays, deductibles, office visits, vision care expenses, prescriptions and dental expenses. HRAs can also be used as permitted by IRS regulations to reimburse the cost of premiums paid for individual or group health coverage.

C. The Township will contribute a set dollar amount per month to the HRA of each Retired Officer or Spouse who elects to opt-out of Township Retiree integrated medical and prescription coverage. The monthly dollar amount will be determined by the extent of the Retired Officer’s coverage for that month under the Township’s Retiree group healthcare benefit plan.

D. The monthly contribution will also be determined by the Retiree’s marital status (single or married) at the time of retirement.

1. Single: The single contribution rate applies if the Retiree is single at the time of retirement. If the Retiree should marry, the Spouse will be ineligible for Township healthcare coverage. Therefore, this marriage will not change the HRA contribution rate to the husband/wife rate, but the Retiree may be reimbursed from the Retiree’s account for eligible expenses incurred by a Spouse whom the Retiree married after retirement.

2. Husband/Wife (H/W): The H/W contribution rate applies only if the Retiree is married at the time of retirement. The H/W contribution rate reverts to the single reimbursement rate if the Retiree’s Spouse dies or if they divorce.

It is the Retiree’s responsibility to notify the Township of divorce or the death of his or her Spouse.
ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

E. Refer to Addendum “F” for the monthly contribution rates for the Retiree should the Retiree opt-out of single coverage or husband/wife coverage.

An Annual CPI increase to a maximum of 5.0% will be applied in 2018, 2019 and 2020. CPI is measured by the Consumer Price Index (CPI) – Urban Wage Earners and Clerical Workers (CPI-W) for Philadelphia (1982 – 1984 = 100) for the twelve (12) month period ending in August and published in September preceding the January 1st effective date of the adjustment.

F. Other features of the HRA program include the following for the Retired Officer:

1. A Retiree married to an active or retired Township employee cannot receive double coverage, i.e., be covered under a Township healthcare plan (active or Retiree plan) and be eligible for contributions to an HRA.

2. A Retired Officer and his/her Spouse who opt-out of Retiree integrated Medical and Prescription coverage shall also have the option of obtaining Retiree integrated Medical and Prescription and/or Dental and/or Vision coverage for his/her dependent children or Spouse whom he/she married after retirement by paying the additional costs thereof.

3. The Retiree is not eligible for contributions for dependents (other than a Spouse married to the Retiree at the time of his/her retirement.)

4. Monthly contributions to the HRA for the Retiree and eligible Spouse will cease with the contribution due for the month prior to the month in which the Retiree’s 65th birthday occurs.

5. If the Retiree’s Spouse (to whom the Retiree was married at the time of retirement) predeceases the Retiree, or if the Retiree and Spouse divorce, the Township’s monthly HRA contribution will revert to the applicable single contribution rate in the following month. The Retiree is responsible for notifying the Township of these events, and the Retiree’s account may be adjusted if too much is contributed because timely notification was not provided. If the amount in a Retiree’s HRA account is insufficient to offset amounts which have been contributed for periods in which the Retiree is not eligible for a contribution or otherwise contributed in error, the Retiree is responsible for repaying such erroneous contributions.
ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

6. Each Retiree will be eligible for reimbursement of eligible healthcare expenses (including after-tax healthcare premiums and co-pays) for self and Spouse from the Retiree’s account up to the net amount then remaining in the Retiree’s account balance. (Although there are no contributions for non-eligible Spouses or dependents, the Retiree may submit eligible healthcare expenses incurred by these family members for reimbursement from the Retiree’s account. The family member must, however, qualify as the Retiree’s “dependent” under IRS rules.)

7. The Retiree must provide documentation to support the eligibility of claimed reimbursements. The HRA will not reimburse amounts paid on a before-tax basis for group health coverage.

8. Account balances that are not used in any Coverage Period will roll over and become part of the account balance available to cover expenses incurred during the next Coverage Period (see “Coverage Period” below).

9. Unused amounts in a Retiree’s account are not credited with interest.

10. After reaching age 65 contributions will cease, but the Retiree may continue to draw on the account balance for self and Spouse and dependents for eligible healthcare expenses incurred until the date on which the Retiree reaches age 73 or until the account is depleted, whichever occurs first (see Article 13.12(G), “Coverage Period”).

11. If a Retiree predeceases his/her Spouse, that Spouse may continue to draw on the account balance for reimbursement of eligible healthcare expenses incurred by the Retiree up to the time of the Retiree’s death. If the account is not depleted, the Spouse may continue to draw on the deceased Retiree’s account balance for the Spouse’s or the Retiree’s eligible dependents until the Retiree’s account is depleted or until the date on which the Retiree would have reached age 73 had he/she survived, whichever occurs first (see Article 13.12(G), “Coverage Period”).

12. After all eligible healthcare expenses are reimbursed in the final Coverage Period, any funds remaining in the Retiree’s HRA will revert to the Township.

G. Coverage Period:

1. Except as described in the following paragraph, the Coverage Period is a twelve (12) month period, which coincides with the calendar year. No contributions will be made following the contribution due for the month in which the earliest of the following events occur:

   • the Retiree’s death
   • the date the Retiree “opts out” of the HRA (see Article 13.12(K), “Opt-in/Opt-out”)
   • the Retiree’s 65th birthday
ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

2. However, under a special rule, the Coverage Period in which such event occurs will be extended until the date on which the Retiree’s 73rd birthday occurs (or would have occurred, in the event of the Retiree’s death). This extended Coverage Period is intended to define the period during which eligible claims for reimbursement may be incurred by the Retiree or the Retiree’s Spouse or eligible dependents for purposes of using up the remaining balance in the Retiree’s HRA account. Therefore, for example, the Plan will allow for a Spouse, upon the Retiree’s death, to continue to draw from the account for expenses incurred until the date on which the Retiree would have reached age 73, with the final reimbursement submittals being made no later than the end of the Coverage Period as described above.

H. Spouses of Officers Who are Enrolled in the Opt-Out HRA:

As to the Spouse of an Officer who retired on or after January 1, 2017 where the Retired Officer participates in the opt-out HRA and the Retired Officer reaches age 65 and the Township’s payments into the Retired Officer’s opt-out HRA terminates, the Spouse will be eligible for the then existing single Retiree healthcare coverage that is offered to Retirees, beginning with the first day of the month following the month in which the Retired Officer reaches age 65, until the first day of the month in which elapses four (4) years from the date the Retired Officer reaches age 65 subject to the following:

1. If the Spouse is 65 or reaches age 65 during the four (4) year period following the first day of the month in which the Retired Officer reaches age 65, as of the first day of the month in which the Spouse reaches age 65, the Township shall have no further healthcare benefit obligation with regard to the Spouse. If the Spouse becomes Medicare eligible during the four (4) years after the first day of the month in which the Retired Officer reaches age 65 or Medicare eligibility due to disability or any other qualifying event before reaching the age of 65, the Township’s provision of healthcare benefits shall cease as of the first day of the month in which the Spouse becomes eligible for Medicare and the Township shall deposit into the HRA, on a monthly basis starting with the month in which the Spouse becomes eligible for Medicare. Please see Addendum “F” for the monthly contribution subject to the same terms and conditions described above for Retired Officers.

2. The Township shall make monthly contributions into the HRA until the earlier of the following occurs: divorce, the death of the Retired Officer, the Spouse’s death, the Spouse reaching age 65, or expiration of four (4) years from the date the Retired Officer reaches age 65. The final HRA payment will be pro-rated for the month in which death or divorce occurs, and otherwise the final payment shall be for that month prior to the month in which the Spouse reaches age 65 or the month prior to the month in which elapses four (4) years from the date the Retired Officer reaches age 65. All HRA deposits shall be made on the first of the month following the month for which an HRA deposit is required.
ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

3. If the Spouse is entitled to single coverage according to the provisions above, the Spouse may decline single coverage and receive from the Township a contribution into the HRA for each month in which the Spouse declines the single coverage for which he/she was otherwise entitled. Refer to Addendum “F” for the monthly contributions.

An annual CPI increase to a maximum of five percent (5.0%) will be applied in 2018, 2019 and 2020. CPI is measured by the Consumer Price Index (CPI) – Urban Wage Earners and Clerical Workers (CPI-W) for Philadelphia (1982 – 1984 = 100) for the twelve (12) month period ending in August and published in September preceding the January 1st effective date of the adjustment.

I. Other features of the HRA program include the following for the Retired Officer’s Spouse:

1. Unused account balances in the HRA will roll over from year to year. At divorce, the death of the Spouse, the death of the Retired Officer, the Spouse reaching age 65, or expiration of four (4) years from the date the Retired Officer reaches age 65, whichever occurs first, the Township shall cease making contributions into the HRA. The final HRA contribution will be pro-rated for the month in which death or divorce occurs, and otherwise the final contribution shall be for that month prior to the month in which the Spouse reaches age 65 or the month prior to the month in which elapses four (4) years from the date the Retired Officer reaches age 65. All HRA deposits shall be made on the first of the month following the month for which an HRA deposit is required by this agreement.

2. The Retired Officer or surviving Spouse or dependent may continue to draw on any unused balance remaining in the HRA for qualifying medical expenses until the first day of the month in which the Retired Officer reaches, or would have reached, the age of 73, at which time any remaining account balances shall revert to the Township and the HRA shall be terminated.

3. A Retired Officer and/or his/her Spouse who opt-out of the Retiree integrated Medical and Prescription coverage shall also have the option of obtaining Retiree integrated Medical and Prescription and/or Dental and/or Vision coverage for his/her dependent children or Spouse whom he/she married after retirement by paying the additional costs thereof.

4. If the Retiree and Spouse divorce, the Retiree and Spouse are responsible for notifying the Township of these events, and the account may be adjusted if too much is contributed because timely notification was not provided. If the amount in the HRA account is insufficient to offset amounts which have been contributed for periods in which the Retiree and/or Spouse are not eligible for a contribution, or otherwise contributed in error, the Retiree and/or Spouse are responsible for repaying such erroneous contributions.
ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

5. The proceeds of the account can be used for reimbursement of eligible healthcare expenses (including after-tax healthcare premiums and co-pays) for self and Spouse from the account up to the net amount then remaining in the account balance. (Although there are no contributions for non-eligible Spouses or dependents, the Retiree and/or Spouse may submit eligible healthcare expenses incurred by these family members for reimbursement from the account. The family member must, however, qualify as the Retiree’s “dependent” under IRS rules.)

6. The Retiree and/or Spouse must provide documentation to support the eligibility of claimed reimbursements. The HRA will not reimburse amounts paid on a before-tax basis for group health coverage.

7. Account balances that are not used in any Coverage Period will roll over and become part of the account balance available to cover expenses incurred during the next Coverage Period (see Article 13.12(G), “Coverage Period”).

8. Unused amounts in the account are not credited with interest.

9. If a Retiree predeceases his/her Spouse, that Spouse may continue to draw on the account balance for reimbursement of eligible healthcare expenses incurred by the Retiree up to the time of the Retiree’s death. If the account is not depleted, the Spouse may continue to draw on the deceased Retiree’s account balance for the Spouse’s or the Retiree’s eligible dependents until the Retiree’s account is depleted or until the date on which the Retiree would have reached age 73 had he/she survived, whichever occurs first (see Article 13.12(G), “Coverage Period”). After all eligible healthcare expenses are reimbursed in the final Coverage Period, any funds remaining in the Retiree’s HRA will revert to the Township.

J. Reimbursement:

As long as the Township’s third-party administrator (TPA) can provide the Convenience Card which is a MasterCard debit card providing electronic access to the HRA funds for eligible expenses, use of this card would allow HRA participants to access and use available contributions electronically at their convenience without having to wait for the manual reimbursements. However, the Retiree must submit all eligible documentation for reimbursement by March 15th of the year following the calendar year in which the expense was incurred. Late submitted claims will be rejected.

Internal Revenue Service (IRS) rules require that all claims made against an HRA be substantiated as eligible medical expenses under the tax code. In order to be compliant with the IRS, the Retiree and his/her Spouse may be required to provide manual substantiation to the TPA for any payments made with their HRA card.
ARTICLE 13  
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS  
(CONTINUED)

K. Opt-In /Opt-Out:

1. The Plan will permit Retirees or the Retiree’s Spouse to select the HRA account benefit at the time of retirement or upon the first day of the month in which the Retired Officer reaches age 65 or becomes eligible for Medicare prior to reaching such age due to disability or any other qualifying event or to opt-in at a later date if the Retiree or Retiree’s Spouse obtains alternative group healthcare coverage before the first day of the month in which the Spouse reaches age 65, or the expiration of four (4) years from the first day of the month in which the Retired Officer reaches age 65, whichever occurs sooner, and chooses to opt-out of part or all of his/her Township Retiree group healthcare benefits. Provided the Plan Administrator is timely notified, HRA contributions will begin at the applicable rate corresponding to the Retiree’s marital status and election with respect to the Township’s Retiree group healthcare benefits, as of the first of the calendar month which immediately follows the effective date of his/her decision to opt-out of part or all of his/her Township group healthcare benefits.

2. Likewise, the Plan will permit Retirees or the Retirees’ Spouse to opt-out of the HRA and be covered under the Township’s Retiree group healthcare plan (at the level to which the Retiree would have been eligible at retirement) if the Retiree or the Retiree’s Spouse loses his or her alternative group healthcare coverage before reaching age 65. Provided the Plan Administrator is timely notified, HRA contributions will cease (or be otherwise adjusted to correspond with the Retiree, or the Retiree’s Spouse, election of Township group healthcare coverage) as of the calendar month in which the Retiree’s coverage under the Township’s group healthcare plan is first effective. A Retiree or the Retiree’s Spouse who opts-out of the Township’s Retiree group healthcare plan will be eligible to re-enroll during the annual open enrollment period, or to re-enroll as a late entry should the Retiree lose alternative healthcare benefits as the result of a life event as defined by the insurance provider.

3. If the Retiree or the Retiree’s Spouse opts-out of the HRA, the Retiree’s HRA account will remain intact until the Retiree depletes the account or until the end of the Coverage Period, whichever occurs first. Although no contributions will be made to the Retiree’s account during all or a portion of a Coverage Period in which the Retiree has opted-out, the Retiree may continue to draw down the account for reimbursement of eligible expenses, whether incurred before or during an “opt-out” year. (Please note that claims must be submitted by March 15th of the year following the calendar year in which the expense was incurred).
ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

L. Third Party Administrator (“TPA”):

The Township will engage a third party administrator (“TPA”) to maintain records of accounts and to make determinations on claims for reimbursement. The TPA will establish procedures for payment and its decision on claims for reimbursement will be final.

M. Refer to the HRA Plan Document for more detailed information regarding the administration of the HRA.

13.13 Out-of-Area (“OOA”) Healthcare Benefits:

A. A Retired Officer or Spouse that moves Out-of-Area (“OOA”) and does not have network accessibility in the Retiree or Spouse’s new location, in accordance with Internal Revenue Code Section 106, the Township will reimburse for insurance premiums only up to a set dollar amount per month upon proof of the Retiree or Spouse’s eligible healthcare insurance coverage for the Retiree and/or Spouse. The Township will reimburse up to a set dollar amount per month upon proof of eligible healthcare insurance coverage for the Retiree (and the Retiree’s Spouse, if applicable) covered by this labor agreement which will be paid three times per year in arrears to the Retiree or Spouse. The monthly reimbursement amount will be determined by the Retiree’s marital status (single or married) at the time of retirement or total disability.

B. It is the sole responsibility of the Out-of-Area Retiree or Spouse to purchase a healthcare insurance policy or enroll in a healthcare insurance plan and to provide satisfactory proof of coverage to the Township of the Retiree or Spouse’s out-of-area coverage. No reimbursement benefit will be paid for any calendar month for which the Retiree or Spouse fails to provide satisfactory proof of out-of-area health insurance coverage.

The term Spouse shall refer only to the Spouse of the Retired Officer at the time of the Officer’s retirement. The Spouse shall receive the Township Out-of-Area Benefits until: divorce, the death of the Retired Officer, the death of the Spouse, the first day of the month in which the Spouse reaches age 65, the first day of the month in which the Spouse becomes Medicare-eligible for disability or any other reason, or the expiration of four (4) years from the first day of the month in which the Retired Officer reaches age 65, whichever occurs sooner.

C. If the Retiree marries after retirement, the monthly reimbursement benefit will not be increased from the single to the married amount and the Spouse will not be eligible for Out-of-Area Benefits. If the Retiree should get divorced from the Spouse to whom the Retired Officer was married at the time of retirement, the monthly reimbursement will be
ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

reduced to the amount for single individuals, effective as of the month following the date of divorce. It is the responsibility of the Retiree to timely notify the Township of divorce, and to reimburse the Township for reimbursements made in excess of the single amount following divorce if such notice is not provided in a timely fashion.

D. The cost of coverage for a Retiree’s dependents (other than a Spouse married to the Retiree at the time of the Retiree’s retirement) are not covered by this Out-of-Area Retiree Healthcare Insurance Reimbursement Benefit.

E. If the Retiree or Spouse elects this Out-Of-Area Healthcare Insurance Reimbursement Benefit and then relocates to an area where a network is accessible, the Retiree or Spouse will be permitted to return to the Township’s “Medical Plan” in accordance with the provisions of the labor agreement in effect at the Retiree’s retirement and the plans then currently offered. In such event, the Out-Of-Area Healthcare Insurance Reimbursement Benefit will cease, as of the first month in which coverage under the integrated medical and prescription plan is effective.

F. In the event the actual monthly cost of the Retiree or Spouse’s healthcare insurance (covering the Retiree and, if applicable, the Retiree’s eligible Spouse) is less than the maximum monthly reimbursement amount offered by the Township for that month, the Retiree or Spouse will receive a reimbursement payment only for that actual cost amount. If the Retiree or Spouse does not receive the maximum available reimbursement for a month, the “unused” reimbursement does not carry over and increase the amounts reimbursable for future periods.

G. Township reimbursements for the Retired Officer will cease the first of the month in which the Retired Officer reaches 65 or becomes eligible for Medicare prior to reaching age 65 due to disability or any other qualifying event or, will be prorated for the month in which the Retiree’s death occurs. If the Retiree’s Spouse is eligible to extend coverage under the Retiree’s healthcare policy or plan under COBRA, no amount of the COBRA premium will be reimbursable by the Township.

H. The Retiree or Spouse is only eligible for reimbursement of part or all of the cost of health insurance, which is the primary coverage of the Retiree or Spouse and, if applicable, covers the Retiree’s Spouse as his/her dependent. Insurance covering the Retiree on a secondary basis is not eligible for reimbursement.

I. An Out-of-Area Retiree or Spouse is only eligible for reimbursement for the same type or types of healthcare insurance coverage that otherwise would have been provided under the Township’s integrated medical and prescription coverage. Insurance for dental or vision coverage is not eligible for reimbursement.
ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

J. If the Retiree has coverage as a dependent through a group insurance plan of the Retiree’s Spouse’s employer, then neither the Retiree nor the Retiree’s Spouse is eligible for the Out-of-Area insurance reimbursement benefit. However, the Retiree may be eligible for Township’s Healthcare Reimbursement Account (“HRA”) benefit.

K. Township Monthly Out-of-Area Reimbursement:

1. Single: The single reimbursement rate applies if the Retiree is single at the time of retirement. If the Retiree should marry, the Spouse will be ineligible for Township healthcare coverage. Therefore, this marriage will not change the reimbursement rate to the husband and wife rate.

2. Husband/Wife (“H/W”): The H/W reimbursement rate applies only if the Retiree is married at the time of retirement. The H/W reimbursement rate reverts to the single reimbursement rate if the Retiree’s Spouse dies, if they divorce or Spouse becomes eligible for Medicare. It is the Retiree’s responsibility to notify the Township of divorce or the death of his or her Spouse. Please refer to Addendum “F” for the monthly reimbursement amounts which shall increase in 2018, 2019 and 2020 up to a maximum of 10% for each year based on that year’s cost increases to the Township’s applicable Retiree healthcare insurance plan(s). The Retiree must show continued proof of any and all premium costs subject to the annual premium rate renewals each respective year.

3. A Retiree married to an active or retired Township employee cannot receive double coverage; i.e., be covered under a Township plan and receive an Out-of-Area Reimbursement.

L. Spouses of Officers Who are Enrolled in Out-of-Area Healthcare Benefits:

Where the Retired Officer participates in the Out-of-Area Healthcare Benefits and the Retired Officer reaches age 65 and the Township’s reimbursement into the Retired Officer’s Out-of-Area Health Benefits terminates, the Spouse will be eligible for the then existing single Retiree Out-of-Area Healthcare Coverage that is offered to Retirees, beginning with the first day of the month in which the Retired Officer reaches age 65, until the first day of the month in which elapses four (4) years from the date the Retired Officer reaches age 65 subject to the following:

1. If the Spouse is 65 or reaches age 65 during the four (4) year period following the first day of the month in which the Retired Officer reaches age 65, as of the first day of the month in which the Spouse reaches age 65 the Township shall have no further healthcare benefit obligation with regard to the Spouse. If the Spouse becomes Medicare eligible during the four (4) years after the first day of the month in which the Retired Officer reaches age 65 or Medicare eligibility due to disability or any other
ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

qualifying event before reaching the age of 65, the Township’s provision of Out-of-Area healthcare benefits shall cease as of the first day of the month in which the Spouse becomes eligible for Medicare and the Township shall deposit into the HRA, on a monthly basis starting with the month in which the Spouse becomes eligible for Medicare. Please refer to Addendum “F” for the monthly contribution subject to the same terms and conditions described above for Retired Officers.

2. The Township shall make monthly contributions into the HRA, until the earlier of the following occurs: divorce, the death of the Retired Officer, the Spouse’s death, the Spouse reaching age 65, or expiration of four (4) years from the date the Retired Officer reaches age 65. The final HRA payment will be pro-rated for the month, in which death or divorce occurs, and otherwise the final payment shall be for that month prior to the month in which the Spouse reaches age 65 or the month prior to the month in which elapses four (4) years from the date the Retired Officer reaches age 65. All HRA deposits shall be made on the first of the month following the month for which an HRA deposit is required.

3. If the Spouse is entitled to single coverage according to the Out-of-Area healthcare benefit provisions above, the Spouse may receive from the Township a reimbursement for each month in which the Spouse is eligible for Out-of-Area healthcare benefits as single coverage for which he/she was otherwise entitled. Please refer to Addendum “F” for the monthly reimbursement from the Township which shall increase in 2018, 2019 and 2020 up to a maximum of 10% for each year based on that year’s cost increases to the Township’s applicable Retiree healthcare insurance plan(s). The Retiree’s Spouse must show continued proof of any and all premium costs subject to the annual premium rate renewals each respective year.

M. Reimbursement:

The Township will provide the Retiree reimbursements for Out-of-Area Healthcare Insurance Coverage three times per year (April 15th, August 15th and December 15th) with proof of paid, eligible insurance premiums. Reimbursements will generally be made in the indicated month for all eligible premiums submitted with satisfactory documentation at least thirty (30) days prior to the beginning of the month. However, the Retiree must submit all eligible documentation for reimbursement no later than March 31st of the year following the coverage period, which will be January 1st through December 31st. Late submitted claims will be rejected.

N. Coverage Period:

This Out-of-Area Healthcare Insurance Reimbursement Benefit will remain in effect until an eligible Retiree attains age 65 or dies.
ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

O. Further Information:

Refer to the Out-of-Area Plan Document for more detailed information regarding the administration of the Out-of-Area.
ARTICLE 14
PENSION

14.1 Eligibility:

The benefits set forth in this Article shall only apply to any Officer who retires, is granted a total disability or terminated employment on or after January 1, 2017.

14.2 Age and Years of Service Requirements:

All Officers shall have the option to retire at age fifty (50) with twenty-five (25) years of service. The pension shall be fifty percent (50%) of the Officer’s final monthly average salary (as defined below).

14.3 Benefit Computation:

A. The monthly pension benefits of Officers who retire due to age and service, or on account of service-connected total disability, shall be based upon the Officer’s monthly average salary during his/her last thirty-six (36) months of employment, referred to as final average salary (“FAS”). The compensation to be used in determining the FAS shall be the same compensation used by the Social Security Administration in its computation of the Medicare portion of the Social Security tax. FAS shall include all payments which a member contributes to a Section 125 plan and/or a 457 plan by payroll deduction.

B. Opt-out payments earned after January 1, 2017 will not be included in the FAS calculation, nor shall they be subject to a pension deduction/contribution.

C. In addition, Officers who retire who were recipients of Heart and Lung/Workers Compensation benefits paid by the Township in their last 36 months of employment shall have those payments considered as compensation for the purposes of calculating their monthly final average salary.

D. The Township shall calculate the Officer’s monthly average salary during his/her final 36 months of employment in accordance with current procedures whereby the first calendar year of the calculation is prorated. Further, for an Officer paid a lump sum in lieu of using his/her remaining paid leave prior to retirement date, the calculation will add the days representing the lump sum to the actual retirement date to create a new effective date for monthly average salary calculation purposes only.

E. There shall be zero percent (0%) Social Security Offset for Officers who retire under the terms of this Agreement.
ARTICLE 14
PENSION
(CONTINUED)

14.4 Act 44 Deferred Retirement Option ("DRO") Program:

Effective January 1, 2017 the Township will implement an Act 44 Deferred Retirement Option program ("Act 44 DRO"), with a maximum period of forty-eight (48) months participation. An Officer may enter into the Act 44 Program upon or after reaching the age and service requirements for a normal (superannuation) pension. Monies that accumulate in the Officer’s Act 44 account shall not be credited with any interest. Refer to Addendum “G” for the Act 44 DRO plan document.

14.5 Vesting/Early Retirement:

The Township shall provide for all Officers a vested pension benefit under which, after completing twelve (12) years of total service, if the Officer for any reason ceases to be employed as a full-time Police Officer by the Township, he/she shall be entitled to vest his/her retirement benefits by filing with the Township within ninety (90) days of the date he/she ceases to be a full-time Police Officer, a written notice of his/her intention to vest. Upon reaching the date which would have been his/her superannuation retirement date (the first day of the month on or after having reached the age of fifty (50) and upon reaching the date that he/she would have completed twenty-five (25) years of service as a full-time Lower Merion Police Officer, if later), he/she shall be paid a partial superannuation retirement allowance, determined by applying the percentage of his/her years of service years to the years of service which he/she would have rendered had he/she continued to work until his/her superannuation retirement date to the gross pension, using, however, the monthly final average salary during the appropriate period prior to his/her termination of employment.

A. An Officer who completes twenty (20) or more years of service and terminates employment prior to reaching his/her superannuation retirement date (as defined above) may receive an early retirement benefit upon filing a written application with the Township. The early retirement benefit is the partial superannuation retirement allowance as determined above, reduced by an actuarial reduction factor to account for the early payment of benefits. The actuarial reduction factor shall be calculated using the actuarial assumptions reported in the last actuarial valuation report filed with the Public Employee Retirement Commission under Act 205.

B. See Article 13 for eligibility of medical benefits and life insurance.

14.6 Service-Connected Total Disability:

A. Definition of “Total Disability” - Mentally or physically unfit for an indefinite duration and recovery is not predicted in the foreseeable future to perform the duties presently being provided by a Lower Merion Police Officer.
ARTICLE 14
PENSION
(CONTINUED)

B. The monthly service-connected disability pension shall be equal to fifty percent (50%) of the Officer’s final average monthly salary.

C. In the event the Officer receiving service-connected total disability became so disabled as an immediate or direct result of heroic actions or circumstances in the line of duty, the monthly service-connected disability pension shall be equal to seventy percent (70%) of the Officer’s final average monthly salary. The determination shall be made by the Pension Plan Administrator.

D. The Pension Plan Administrator will be asked to consider an event heroic where an Officer, in the line of duty, has risked imminent and substantial harm from another person or persons, or from extraordinary or emergency conditions as distinguished from normal events associated with the general risk associated with Police work. Such risks of imminent and substantial harm do not include those risks that are indistinguishable from those to which individuals in our society are exposed generally, such as falls, vehicular accidents in which the Officer was not acting under emergency conditions, training or educational activities, weather-related accidents, or injuries or disabilities sustained only as the result of strenuous activity in performing the Officer’s duties.

E. Any Officer who receives a service-connected disability pension benefit for the same injury under the Social Security Act shall have his/her disability pension benefit offset or reduced by the amount of such Social Security Act benefits.

F. For any spousal benefit provided to a surviving spouse upon the death of an Officer receiving a service-connected disability pension, the calculation of the survivor benefit shall be equal to fifty percent (50%) of the deceased Officer’s monthly pension benefit entitlement without the Social Security Disability offset. The service-connected disability pension will revert to the calculation prior to the offset having been taken.

14.7 Service-Connected Disability Pension Claims:

A. If an Officer suffers a work-related injury that the Officer believes renders him or her totally disabled as defined in Article 14.6(A) of this Agreement, then the Officer shall submit a service-connected disability pension application to the Township, which shall be forwarded to the Pension Plan Administrator. The Pension Plan Administrator, through the Township, may require that the Officer execute one or more medical releases permitting the Pension Plan Administrator to receive and review the Officer’s medical records relevant to his or her injury or illness underlying the service-connected disability pension claim.

1. If an Officer believes that he or she has suffered a work-related injury that the Officer believes renders him or her totally disabled as that term is defined in Article 14.6(A) of this Agreement, and that the injury was suffered as an immediate or direct result of
ARTICLE 14
PENSION
(CONTINUED)

heroic actions or circumstances in the line of duty as “heroic actions” as defined in Article 14.6 of this Agreement, then the Officer shall indicate, describe and explain the presence of “heroic actions” in his or her pension application.

B. The Pension Plan Administrator shall notify the Officer in writing of its findings and shall issue a written decision determining whether the Officer is eligible for a service-connected disability pension. If the Officer is so eligible, and the Officer has also made a claim that his or her disability was the result of “heroic actions,” the decision shall also resolve whether the Officer’s disability was the immediate or direct result of heroic actions as claimed by the Officer.

C. The Township shall delay implementation of any determination by the Pension Plan Administrator regarding an Officer’s application for service-connected disability pension benefits for ten (10) calendar days following issuance of the written determination to the Officer. Within that ten (10) calendar day period the Officer must notify the Township in writing whether the determination is accepted or whether the determination will be appealed. The Officer may appeal the determination, either with regard to the Officer’s work-related injury not being deemed permanent, or with regard to the injury not being the result of “heroic actions” through the expedited arbitration process in Article 23.3 of this Agreement.

14.8 Employee Contributions:

A. The Officer contributions to the Municipal Police Pension Fund for 2017 is 1.2% and for 2018 and beyond, unless otherwise agreed by the Township and the F.O.P., if any future actuarial valuation by the Fund’s designated actuary determines that the Fund’s revenue sources (including State funding and not including any contributions by the Township) are insufficient and contributions from any other source are necessary to maintain the actuarial soundness of the Fund, said Officers’ contributions shall be as follows: between 0% and 4.0% - Officers will contribute; between 4.0% and 6.0% - Township will contribute; between 6.0% and 7.0% - Officers will contribute; anything over 7.0% - Township will be responsible. The Township does not intend to alter its future actuarial assumptions artificially or unjustifiably for the purpose of triggering a contribution requirement by the Township and/or by the Officers.

B. Officer contributions are based on the same compensation used by the Social Security Administration in its computation of the Medicare portion of the Social Security tax.

C. Officer pension contributions shall be required, if in effect at the time, for any Heart and Lung/Workers Compensation benefits paid by the Township to the Officer.
ARTICLE 14
PENSION
(CONTINUED)

14.9 Return of Contributions:

In the event an Officer dies and no benefits are payable to a surviving spouse and/or dependent children, then such monies accumulated from Officer contributions, if any, shall be paid to his/her designated beneficiary or, in the absence thereof, to his/her estate.

14.10 Survivor Benefits:

A. Age and Service Survivor Benefit:

Upon the death of an Officer who is receiving a pension or who is currently eligible for a pension, a Survivor’s Benefit shall be payable to the surviving spouse until the surviving spouse’s death. In the event that no spouse survives the deceased Officer or the surviving spouse subsequently dies, the Survivor’s Benefit shall be payable to the children of such Officer. A child of the deceased Officer shall be defined as an unmarried child(ren) who shall be a natural or legally adopted child where the Officer has at least partial legal custody at the time of death; a stepchild(ren) is excluded. The limiting age for covered, unmarried children is the end of the month in which they reach age 18; or if they are a student registered at an accredited institution of higher learning and are carrying a minimum course load of seven (7) credit hours per semester, until they reach age 23. Such benefit shall be equal to fifty percent (50%) of the deceased Officer’s monthly pension benefit entitlement.

B. Officers Killed-In-Service:

In light of the passage of Act 51 of 2009, the killed in service survivor benefit payable from the Township Police Pension Fund shall be eliminated for so long as the benefit is provided by the Commonwealth. Therefore, in the event a Police Officer is killed in service, the Police Officer’s family shall receive the benefits provided for and subject to the terms of Act 51 of 2009, which benefits are paid exclusively by the Commonwealth of Pennsylvania, with the exception of any pension benefit to which the Police Officer was entitled prior to the Police Officer’s death, solely by virtue of the Police Officer's service with the Township (i.e., either a normal, early, or vested pension benefit).

There shall be no change in the medical coverage provided to survivors of Police Officers killed in service pursuant to existing Article 12.13.

C. Early Retirement Survivor Benefit:

1. If an active Officer with more than twenty (20) years of vesting service dies before attaining age fifty (50) and completing twenty-five (25) years of vesting service, such Survivors Benefit shall be equal to fifty percent (50%) of the deceased Officer’s monthly pension benefit entitlement at the date of death.
ARTICLE 14
PENSION
(CONTINUED)

2. If an early retired Officer who is receiving a benefit pursuant to Article 14.5(A) (Early Retirement), such Survivors Benefit shall be equal to fifty percent (50%) of the deceased Officer’s monthly pension benefit entitlement at the date of early retirement.

D. Service-connected Disability Survivor Benefit:

For any spousal benefit provided to a surviving spouse upon the death of an Officer receiving a service-connected disability pension, the calculation of the Survivor Benefit shall be equal to fifty percent (50%) of the deceased Officer’s monthly pension benefit entitlement without the Social Security Disability offset.

The service-connected disability pension will revert to the calculation prior to the offset having been taken.

14.11 Service Increment:

In addition to any other monthly pension or retirement allowances, the police pension fund will pay a monthly length of service increment in accordance with Act 89 of 2005 of $100 after 26 years of completed service, $200 after 27 years of completed service, $300 after 28 years of completed service, $400 after 29 years of completed service and $500 after 30 years of completed service.

14.12 Cost-Of-Living Adjustments:

For Officers who retire or become disabled, an annual cost-of-living adjustment shall be applied to their monthly pensions in accordance with Act 600.

A. Subject to the limitations in (B) below, an Officer currently receiving a retirement benefit (including retired on service-connected total disability) shall receive an annual cost-of-living adjustment each January 1st. The cost-of-living adjustment shall be based on the percentage increase in the Consumer Price Index - Urban Wage Earners and Clerical Workers (CPI-W) for Philadelphia (1982-1984=100) for the twelve (12) month period ending on August 31st preceding the January 1st effective date of the adjustment. There shall be no adjustment if the change in the CPI decreases over the applicable twelve (12) month period.

B. Limitations on Cost-of-Living Adjustment:

1. The first cost-of-living adjustment for a retired Officer shall be prorated for the portion of the first calendar year of retirement.

2. No cost-of-living adjustment may increase an Officer’s Retirement benefit by an amount that would exceed thirty percent (30%) of the Officer’s original benefit.
ARTICLE 14
PENSION
(CONTINUED)

3. The cost-of-living adjustment shall not exceed the percentage increase in the Consumer Price Index from the year in which the Officer last worked.

4. No cost-of-living adjustment may cause the total benefit to exceed seventy-five percent (75%) of the Officer’s salary for computing retirement benefits.

5. The cost-of-living adjustment will be provided to Officers receiving retirement benefits.
ARTICLE 15
GRIEVANCE AND ARBITRATION PROCEDURE

15.1 A grievance shall be defined as any dispute involving the application or interpretation of this Agreement or matters of discipline. The election of a grievant to pursue any such dispute under this procedure shall constitute a waiver of his/her right to pursue such dispute in any other forum, and the election of a grievant to pursue any such dispute in any other forum shall constitute a waiver of his/her right to pursue such dispute under this procedure. Other than matters of discipline, only disputes involving the application or interpretation of this Agreement may be grieved.

15.2 The grievance procedure shall be as follows:

A. **Step 1** - The Officer shall notify his/her immediate supervisor of the grievance and shall be referred through the chain-of-command to the command Officer who has the authority to resolve the grievance. The Officer, either alone or accompanied by an F.O.P. representative, shall present the grievance orally to the appropriate command Officer. Said grievance shall be presented within fourteen (14) calendar days of the date when the Officer should have had reasonable grounds to have knowledge of the event upon which the grievance is based.

B. **Step 2** - If a satisfactory adjustment cannot be reached between the parties at Step 1, or in the event no decision has been rendered within ten (10) calendar days of its submission in Step 1, such grievance may be submitted to the Superintendent of Police within seven (7) calendar days from the date the Step 1 decision was rendered or due, whichever occurs first.

In Step 2, the grievance shall be reduced to writing and the following information shall be stated with reasonable clearness:

- The exact nature of the grievance, including the act or acts complained of, and when they occurred;
- The names of the persons involved;
- The identity of the employee or employees who claim to be aggrieved;
- The Sections of the Agreement or Arbitration Award which the employee or employees claim the Township has violated, or the specific matter of discipline; and the remedy they seek.

C. **Step 3** - If a satisfactory adjustment cannot be reached between the parties at Step 2, or if no answer from the Superintendent of Police has been rendered within fourteen (14) calendar days of its submission in Step 2, such grievance may be submitted in writing to the Township Manager or his/her designee within seven (7) calendar days from the date the Step 2 decision was rendered or due, whichever occurs first.

D. **Step 4** - If the grievance is not resolved at Step 3 or if no decision from the Township Manager or his/her designee has been rendered within ten (10) calendar days of the date the grievance was submitted to Step 3, the F.O.P. may, upon written demand given to the Township Manager or his/her designee, submit the grievance to arbitration as follows:
ARTICLE 15
GRIEVANCE AND ARBITRATION PROCEDURE
(CONTINUED)

1. The party seeking arbitration shall do so by serving the other side with a written demand for arbitration within ten (10) calendar days after the grievance is denied at the final step of the grievance procedure or a decision was due, whichever occurs first.

2. The arbitration shall be conducted before a single arbitrator.

3. The arbitrator shall be selected by the parties by mutual agreement, if possible, within ten (10) calendar days after a demand of arbitration has been given.

4. If the parties fail to agree on the arbitrator, either party may request the American Arbitration Association (“AAA”) to submit a list of arbitrators and the arbitrator shall be selected according to the rules of the AAA.

5. The arbitration proceeding shall be conducted under the rules of the AAA. The arbitrator shall not have authority to add to, subtract from, modify, change, or alter any of the provisions of this Agreement. The arbitrator shall decide the dispute and render his/her award within thirty (30) calendar days after the close of the arbitration hearing, unless waived by the parties. Each party shall bear the expenses of its representatives and witnesses; the fees and expenses of the arbitrator as well as all stenographic and other expenses incurred in connection with the arbitration proceedings shall be shared between the parties.

6. Only a single grievance or related grievance arising out of the same factual situation may be heard by the arbitrator at one time unless otherwise mutually agreed upon by the F.O.P. and the Township.

7. The arbitrator’s decision shall be final and binding on the parties and subject to review as provided by applicable law.

15.3 It is agreed that failure to process a grievance to the next higher step of the Grievance Procedure or to arbitration within the time limits specified shall be construed as meaning that the grievance was denied at the preceding step of the Grievance Procedure. The time limits set forth in the Grievance and Arbitration procedures may be extended in a particular instance by mutual agreement of the Township and the F.O.P. confirmed in writing.
ARTICLE 16
EDUCATIONAL REFUND

16.1 With advance approval by the Police Department, Township Human Resources Department and Township Manager, the Township will reimburse an Officer for 100% of the required tuition, fees, books and equipment up to a maximum of $1,000 per calendar year. The amount of the reimbursement shall be reduced by any reimbursement by any agency.

16.2 Reimbursement will be provided only for pre-approved courses and upon completion of the course with a grade of B or higher. The Officer must provide acceptable receipts for expenses and a final transcript for the course. In order to be eligible for reimbursement, an Officer must remain an Officer through the completion of the course.

16.3 The course under consideration must have a bearing on the work of the Officer or be a part of a degree-seeking program that is job-related. Approved courses may be taken at any accredited school, college, university, trade school, or be a course conducted by an association or professional society.
ARTICLE 17
UNIFORMS

17.1 Cleaning Allowance:

A. The cleaning allowance provided will be $1,050.

B. The uniform cleaning allowance will be paid through payroll in a lump sum at the beginning of each year for that current calendar year which is a prospective payment, not a payment for the previous year. In order to be eligible for a uniform cleaning allowance an Officer:

1. Must be a member of the bargaining unit and
2. Must be in an “active status” as of December 31st.

C. Upon promotion to Grade D, said Officer will receive a prorated payment for the remainder of the calendar year in the pay period closest to his/her appointment, for the calendar days for which he/she is a Grade D Officer.

D. If a Police Officer retires at age fifty (50) with twenty-five (25) years of service, said Officer would not be required to reimburse the Township any prorated amount.

E. Officers who are not “age and service” eligible will have the cleaning allowance prorated from the last day they are not actively at work.

F. If a Police Officer resigns or is involuntarily terminated any month throughout a calendar year, he/she will be required to reimburse the Township through payroll deduction the prorated amount owed. If said Officer does not have enough pay to cover the amount owed through payroll deduction, he/she will be required to pay by check or by some other means.

G. If a Police Officer is activated to Military Leave, the cleaning allowance will be prorated/reconciled for time lost from work due to being activated for Military Leave. Said Officer will receive a reconciled uniform cleaning allowance for the calendar year(s), in the pay period closest to his/her return from activated military duty.

H. If a Police Officer exhausts all of his/her short-term sick leave and is on the excessive sick leave list as of December 31st or is on Short Term Disability, the uniform cleaning allowance will be prorated for time lost from work. Upon returning to work or in the event said Officer cannot or does not return to employment, he/she will be required to reimburse the prorated amount owed to the Township, through payroll deduction, for the period of time he/she was not actively at work. The below methodology for the proration will be calculated retroactively to the first day/date of incapacity.
ARTICLE 17
UNIFORMS
(CONTINUED)

I. The proration will be calculated by taking the number of hours that the Officer worked during the year, divided by 2080 (i.e., the total number of scheduled work hours in the year). This equals the percentage of the year that the Officer is actively at work. That percentage is multiplied by the full uniform cleaning allowance ($1,050) to give the total prorated amount which is to be paid to the Officer.

17.2 Clothing Allowance:

A. The clothing allowance provided to Detective’s will be $850.

B. The clothing allowance provided to an Officer assigned to the Special Investigations Unit (“S.I.U.”) will be $250.

C. As a Detective/Officer moves in and out of the Investigations Unit or the S.I.U., the payment will be prorated by calendar quarter.

D. Under IRS regulations, the payment for clothing allowance cannot be excluded from wages and paid through accounts payable as a reimbursement and must be paid through payroll. Effective January 1, 2017, this change means that a Detective/Officer that receives this clothing allowance payment will no longer need to track and submit their receipts to the Township. This annual payment will be paid as noted above in Article 17.1 for the cleaning allowance.

E. The above clothing allowances will only be provided to Officers regularly assigned to Investigations or the SIU. Those assigned for the sole purpose of training are not eligible for a clothing allowance.

F. If a non-uniformed Officer has his/her clothing damaged in the performance of duty (not ordinary wear and tear), the damaged clothing shall be replaced in kind by the Township.

G. A Detective/Officer who is not “age and service” will have the clothing allowance prorated from the last day they are not actively at work.
ARTICLE 18
RESIDENCY

18.1 Within six months after the date of appointment as Grade “D” Patrol Officer, all Officers must maintain a bona fide residence in any of the counties of Bucks, Chester, Delaware, Montgomery or Philadelphia in the Commonwealth of Pennsylvania.
ARTICLE 19
ATTORNEY FEES

19.1 In the event criminal charges are brought against an Officer for authorized actions taken by him/her while on duty, the Township will pay the Officer’s counsel fees up to a maximum amount of Twenty-Five Thousand Dollars ($25,000) per individual Officer per incident from which the charges arise. Payment shall be made only if the Officer is found not guilty in the criminal proceeding; or when there is a final disposition of the charges via a withdrawal of prosecution or dismissal of charges, except when said withdrawal of prosecution or dismissal of charges is reversed via a re-arrest or appeal and the Officer is convicted. The Officer must select legal counsel from an attorney who is licensed to practice in the Commonwealth of Pennsylvania and in good standing.
ARTICLE 20
LIAISON COMMITTEE

20.1 A Liaison Committee to consist of two or three members designated by the Lower Merion Township Police Department and two or three members designated by the Fraternal Order of Police Lodge No. 28 shall meet at least once every quarter, upon the request of either party, to take up any matters of mutual interest or concern, or alleged to be of concern, relating to rules, regulations and procedures, existing or proposed. The Liaison Committee is not a substitute for the Negotiating Committee or Grievance Committee, and its findings or recommendations shall be advisory in scope only.
ARTICLE 21
SEPARABILITY

21.1 Should any part or provision of this Agreement be rendered or declared illegal by reason of any existing or subsequently enacted legislation, or any decree of a court of competent jurisdiction, or by the decision of any authorized government agency, such invalidation of such part or provision shall not invalidate the remainder of this Agreement.
ARTICLE 22
MISCELLANEOUS

22.1 Court of Record:

When it is necessary for an on-duty Officer to attend Court of Record on behalf of the Township and no Township vehicle transportation is available, the Officer shall be eligible to receive reimbursement at the rate of twenty-eight (28) cents per mile for distance driven in his/her personal vehicle to and from the Public Safety Building and the Court.

22.2 Meals and Incidental Expenses:

An Officer shall be reimbursed for meals and incidentals to comply with the Township’s current policy and practice of using the Federal Government Per Diem matrix, which is updated on October 1st annually (refer to Township policy). The Township shall not reimburse any amount over the maximum reimbursement rate for each meal. No reimbursements shall be made for alcoholic beverages.

22.3 Access to Personnel Files:

Each Officer shall be entitled to access his/her personnel file maintained by the Township in accordance with applicable law.

22.4 Deferred Compensation Plan:

The Township offers a 457 Deferred Compensation Plan. Participation in the plan is voluntary. All plan costs/expenses other than internal Township administrative costs will be borne by the participants. No employer contribution will be made during the term of this Agreement or in the future. The Township reserves the sole right to select the 457 Plan/Administrator and to limit the opportunity for payroll deduction changes to twice per year.

22.5 Military Leave:

In accordance with the Uniformed Services Employment and Reemployment Rights Act (“USERRA”) and Pennsylvania state law, Officers who are reservists are entitled to a leave of absence of fifteen (15) days/shifts per calendar year paid for on an hour for hour basis.

22.6 Jury Duty:

Officers who serve on jury duty shall be compensated by the Township in the amount of the difference between said Officer’s regular rate of straight time for regular scheduled work days lost and the amount received as juror's fees, provided said Officer provides valid proof of such jury duty and the amount received as juror's fees to the Township. Whenever the Court excuses an Officer from such jury duty on said Officer’s scheduled workday, said Officer must report to
ARTICLE 22
MISCELLANEOUS
(CONTINUED)

work to complete his/her work shift unless otherwise excused by said Officer’s supervisor. The receipt of a subpoena or the notice to report for jury duty must be reported immediately to the Officer’s supervisor and the Township may request that the Officer be excused or exempted from such jury duty if, in the opinion of the Township, the Officer's services are essential at the time of proposed jury service.

22.7 Substance Abuse Policy:

The Township of Lower Merion Police Department General Order and the Township of Lower Merion Substance Handbook for Police are the applicable documents governing the Substance Abuse Policy for all Officers.

22.8 Retirement Badge:

Retired Officers including those receiving a disability pension or an early retirement, but not a resignation, involuntary termination, death, non-service-connected disability or vested deferred pension, shall receive their badge worn as an active Officer, or the Officer’s last held appropriate rank, with a retirement “rocker arm” attached, at the Township’s expense, unless there are extenuating circumstances at the discretion of the Superintendent of Police in consultation with the Township Manager. Replacement cost for the retired badge will be paid by the F.O.P.
ARTICLE 23
PROCEDURE FOR HEART AND LUNG ACT AND DISABILITY CLAIMS

23.1 Heart and Lung Act Claims:

A. An Officer who is asserting eligibility for Heart and Lung Act benefits must request such benefits by utilizing the “Request/Notification of Heart and Lung Benefits” form (the “H&L Forms”), which will be mailed to the Officer by the Township and/or Insurance Administrator (hereinafter collectively the “Township”). Upon receiving the H&L Forms from the Township, an Officer who is asserting eligibility for Heart and Lung Act benefits must submit the completed H&L Forms to the Township as soon as is practicable following the Officer’s receipt of the H&L Forms from the Township, which generally should be no later than fourteen (14) days from the postmark date of the mailing of the H&L Forms to the Officer. The Township may also forward one or more medical releases to the Officer, which the Officer must complete, permitting the Township and/or its Insurer to receive and review the Officer’s medical records relevant to any determination regarding Heart and Lung Act eligibility for the claimed injury. All medical records received by the Township and/or Insurer will be maintained in files separate and apart from the Officer’s regular personnel file and will be kept strictly confidential. Officers seeking Heart and Lung Act benefits will nevertheless be required to cooperate with the Township in submitting all claimed work-related injuries to the Township’s Workers’ Compensation insurance carrier. Nothing herein concerning such “cooperation” shall be construed to require the Officer, following the insurance carrier’s initial determination, to file a Petition or litigate a claim through the Bureau of Workers’ Compensation at the Officer’s expense, nor shall it limit such rights.

B. After the Township receives the completed H&L Forms from the Officer as well as any relevant medical records requested by the Township from the Officer and/or the Officer’s medical providers, the Township will review the request to determine whether the Officer meets the requirements for eligibility for Heart and Lung Act benefits. In making this decision, the Township shall also have the right to require that the Officer submit to one or more independent medical examinations to be paid for by the Township to assist the Township in evaluating the Officer’s eligibility for benefits under the Heart and Lung Act. The Township shall notify the Officer in writing of whether his or her request for Heart and Lung Act benefits is approved or denied.

1. Pending the Township’s determination regarding the Officer’s claim for Heart and Lung Act benefits, the Officer is required to utilize accrued paid sick leave, or if no paid sick leave is available, accrued paid vacation leave. If the Officer does not have sufficient accrued paid sick or vacation leave, the Officer shall be placed on unpaid approved leave pending the Township’s determination.
ARTICLE 23
PROCEDURE FOR HEART AND LUNG ACT AND DISABILITY CLAIMS
(CONTINUED)

2. If the Township does not render a determination on the Officer’s claim for Heart and Lung Act benefits within sixty (60) calendar days of the submission of the Officer’s completed H&L Forms, then upon the sixtieth (60th) calendar day the application shall be deemed denied. However, following such a deemed denial the Township shall have the right to affirmatively reverse the denial prior to any pending arbitration hearing under Article 23.3 of this Agreement. Upon such affirmative approval, the parties shall abide by the requirements in Article 23.1(D) for Township approved Heart and Lung claims.

3. At any time after receiving the Officer’s application for Heart and Lung benefits, and pending its determination on such benefits, the Township may place the Officer on injury time (or “I time”) if the Officer is approved for Workers’ Compensation benefits or for other appropriate reasons solely at the Township’s discretion. The Township’s action in placing an Officer on injury time under such circumstances is not an acceptance of the injury under the Heart and Lung Act. Such Officer, however, will not be required to utilize paid leave during his or her absence while on injury time pending the Township’s determination of his or her Heart and Lung claim.

C. If the Officer’s claim for Heart and Lung Benefits is denied, the Officer may appeal the Township’s determination directly to arbitration under the expedited arbitration process in Article 23.3 of this Agreement.

D. If the Officer’s claim for Heart and Lung Act benefits is approved:

1. The Officer will be placed on injured on duty status and the Officer’s paid sick and/or vacation leave bank will be credited retroactively to the Officer’s date of incapacitation. This will result in the restoration of the sick and/or vacation days utilized during the determination period while the Officer was incapacitated. The Township will also pay the Officer one hundred percent (100%) of the Officer’s pay tax-free in a manner consistent with the Heart and Lung Act and other applicable law going forward from the determination date.

2. The Officer shall be required to sign over to the Township any Workers’ Compensation checks for any period during which the Officer is also approved for Heart and Lung Act benefits. Checks must be signed over to the “Township of Lower Merion Treasurer” and the Officer must provide the check immediately to the Department of Finance, Insurance Administrator. Any unnecessary delay in providing such reimbursements to the Township shall subject the Officer to disciplinary action.
ARTICLE 23
PROCEDURE FOR HEART AND LUNG ACT AND DISABILITY CLAIMS
(CONTINUED)

3. The Township shall have the right to require that an Officer receiving Heart and Lung Act benefits and/or performing Alternate Police Duties (“APD”) submit to periodic independent medical examinations to be paid for by the Township to assess whether the Officer continues to remain eligible for benefits under the Heart and Lung Act and/or is, or remains capable of, performing APD. If an Officer fails to appear for a scheduled examination without being excused by the Township prior to the appointment, which excuse the Township shall not unreasonably withhold or deny, the Officer’s benefits may be suspended by the Township. The Officer’s benefits under the Heart and Lung Act will be suspended from the date of the Officer’s unexcused absence from the appointment until the Officer attends the rescheduled appointment.

4. If the Township receives medical information evidencing that the Officer can no longer be considered temporarily disabled as required for receipt of Heart and Lung Act benefits, but instead has an injury of lasting or indefinite duration, then the Township shall notify the Officer in writing and refer the matter to the Pension Plan Administrator for resolution of whether the Officer is permanently disabled and should be granted a normal or “heroic actions” service-connected disability pension as provided in Article 14.6 of this Agreement.

   a. The Officer shall have the right to submit relevant evidence for consideration by the Pension Plan Administrator regarding the permanency of the Officer’s disability and the applicability of the heroic actions benefit.

   b. If the Officer is deemed eligible for a service-connected disability pension, the Pension Plan Administrator shall notify the Officer in writing of its findings and inform the Officer that he or she will be honorably discharged and that the Officer’s Heart and Lung Act benefits shall cease with the commencement of the Officer’s service-connected disability pension benefits. The parties expressly agree that if there is no dispute and no appeal as described below, no hearing is required before the Officer is transferred from Heart and Lung Act benefits to service-connected disability pension benefits and his or her Heart and Lung Act benefits are terminated.

   c. The Township shall delay implementation of any determination by the Pension Plan Administrator to transfer an Officer to a service-connected disability pension for ten (10) calendar days following
issuance of its written determination to the Officer. Within that ten (10) calendar day period the Officer must notify the Township in writing whether the determination is accepted or whether the determination will be appealed. The Officer may appeal the determination, either with regard to the Officer’s work-related injury being of lasting or indefinite duration or with regard to the injury being the result of “heroic actions” through the expedited arbitration process in Article 23.3 of this Agreement.

5. If the Township receives medical information evidencing that the Officer can no longer be considered temporarily disabled as required for receipt of Heart and Lung Act benefits, but instead has sufficiently recovered from his or her injury to resume his or her normal police duties, then the Township shall notify the Officer in writing and order that the Officer return to work. The Officer’s Heart and Lung benefits will be terminated upon the Officer’s return to work. The parties expressly agree that if there is no dispute and appeal as described below, no hearing is required before the Officer returns to work and his or her Heart and Lung Act benefits are terminated.

If the Township receives medical information evidencing that the Officer is capable of performing APD duties, then the Township may notify the Officer in writing and order that the Officer return to work in an APD position consistent with the Officer’s capabilities. The Officer’s Heart and Lung benefits will be suspended upon the Officer’s return to work. The parties expressly agree that if there is no dispute and no appeal as described below, no hearing is required before the Officer returns to the APD position and his or her Heart and Lung Act benefits are suspended.

a. The Township shall delay implementation of any return to work order for ten (10) calendar days following issuance of its written determination to the Officer. Within that ten (10) calendar day period the Officer must notify the Township in writing whether the determination of recovery and/or APD clearance is accepted or whether the determination will be appealed. The Officer may appeal the determination through the expedited arbitration process in Article 23.3 of this Agreement.

23.2 Service-connected Disability Pension Claims (See Article 14):

A. If an Officer suffers a work-related injury that the Officer believes renders him or her totally disabled as that term is defined in Article 14.6(A) of this Agreement, then the Officer shall submit a service-connected disability pension application to the Township, which shall be forwarded to the Pension Plan Administrator. The
Pension Plan Administrator, through the Township, may require that the Officer execute one or more medical releases permitting the Pension Plan Administrator to receive and review the Officer’s medical records relevant to his or her injury or illness underlying the service-connected disability pension claim.

1. If an Officer believes that he or she has suffered a work-related injury that the Officer believes renders him or her totally disabled as that term is defined in Article 14.6(A) of this Agreement, and that the injury was suffered as an immediate or direct result of heroic actions or circumstances in the line of duty as “heroic actions” is defined in Article 14.6 of this Agreement, then the Officer shall indicate, describe and explain the presence of “heroic actions” in his or her pension application.

B. The Pension Plan Administrator shall notify the Officer in writing of its findings and shall issue a written decision determining whether the Officer is eligible for a service-connected disability pension. If the Officer is so eligible, and the Officer has also made a claim that his or her disability was the result of “heroic actions”, the decision shall also resolve whether the Officer’s disability was the immediate or direct result of heroic actions as claimed by the Officer.

C. The Township shall delay implementation of any determination by the Pension Plan Administrator regarding an Officer’s application for service-connected disability pension benefits for ten (10) calendar days following issuance of the written determination to the Officer. Within that ten (10) calendar day period the Officer must notify the Township in writing whether the determination is accepted or whether the determination will be appealed. The Officer may appeal the determination, either with regard to the Officer’s work-related injury not being deemed permanent, or with regard to the injury not being the result of “heroic actions” through the expedited arbitration process in Article 23.3 of this Agreement.

23.3 Expedited Arbitration Process for Heart and Lung Act and Service-Connected Disability Disputes:

A. If either the Officer or the Township wishes to raise a dispute to be resolved by expedited arbitration regarding an Officer’s initial or continuing eligibility for Heart and Lung Act or service-connected disability benefits, the challenging party shall notify as soon as is practicable the designated arbitrators that it is invoking the expedited arbitration process. The notice shall explain the nature of the dispute and request that the arbitrators offer their first available hearing date. The opposing party shall be copied on the notice and request, and the arbitrators shall be directed to respond to both parties.
ARTICLE 23
PROCEDURE FOR HEART AND LUNG ACT AND DISABILITY CLAIMS
(CONTINUED)

1. The parties agree that the arbitrators for the expedited arbitration process shall be mutually designated by side letter and that if any of the arbitrators become unavailable, the parties shall immediately confer regarding a replacement. Any replacement must be designated by mutual consent.

2. Each party shall bear the expenses of its own representatives and witnesses. In the case of arbitration hearings concerning an Officer’s eligibility for service-connected disability pension benefits, the fees and expenses of the arbitrator shall be shared equally between the parties. In the case of arbitration hearings concerning an Officer’s initial or continuing eligibility for Heart and Lung Act benefits, the fees and expenses of the arbitrator shall be borne by the Township.

B. The arbitrators shall be expected to offer hearing dates that can be held within thirty (30) calendar days of the request. The arbitrator who offers the earlier date shall be selected. The parties must abide by the hearing date required under this provision unless both parties agree in writing to the selection of a different hearing date by other means.

C. The arbitrator shall be expected to render a written determination within thirty (30) calendar days of the hearing date. The arbitrator shall set any briefing schedules or other post-hearing deadlines as necessary to facilitate issuance of his decision within the thirty (30) calendar day period.

D. The arbitrator shall have the authority to resolve all discovery and evidentiary issues. The parties, however, will be expected to make requests for and exchange relevant evidence in advance of the hearing date and shall attempt to stipulate to the admissibility of such evidence. The arbitrator may also require that the Officer execute one or more additional medical releases permitting the Township to receive and review the Officer’s medical records relevant to his or her injury or illness underlying the Heart and Lung Act or service-connected disability pension claim.

E. The findings of the arbitrator shall be final, subject to appeal under applicable law. Based upon the results of the arbitrator’s decision and order, the Township shall take appropriate actions in conformity with the order, which should direct such appropriate actions including but not limited to:

1. Paying Heart and Lung Act benefits with appropriate retroactive credits to the Officer’s paid leave balances if the Officer’s initial Heart and Lung Act claim, originally denied by the Township, is approved;
ARTICLE 23
PROCEDURE FOR HEART AND LUNG ACT AND DISABILITY CLAIMS
(CONTINUED)

2. Ordering that the Officer return to work and terminating/suspending as appropriate Heart and Lung Act benefits, with appropriate reduction of the Officer’s accrued paid sick or vacation leave balances retroactive to the date of issuance of the Township’s determination regarding the Officer’s ability to return to a normal or APD position, if the Officer appeals the determination that he or she has recovered or can perform APD, and the Township’s determination is upheld;

3. Terminating the Officer’s employment if the Officer fails to return to work after an order pursuant to (2);

4. Transferring an Officer to the appropriate service-connected disability pension, with appropriate reduction of the Officer’s accrued paid sick or vacation leave balances retroactive to the date of the Pension Plan Administrator and Trustees’ written determination regarding transfer of the Officer to a disability pension, if the Officer appeals the determination that his or her injury is permanent and the Pension Plan Administrator and Trustees determination is upheld.

F. All issues and procedures regarding initial or continuing eligibility for Heart and Lung Act or service-connected disability pension benefits are covered by this Article and its special arbitration process, as are issues and disputes regarding interpretation or application of this Article and its procedures.

G. By adopting these expedited arbitration procedures, neither party intends to alter or change any existing right under the Family and Medical Leave Act (FMLA), Workers Compensation Law or any other law. The parties recognize that either party may attempt to use any medical examination conducted under this procedure in a proceeding or to support a claim or defense under the Workers Compensation Act. Neither party intends or desires to waive any right or add to or substitute this procedure for any procedure for the determination or resolution of workers compensation claims under the Workers Compensation Law.

23.4 Alternate Police Duties:

Any Officer who is eligible for Heart and Lung Act benefits and on an approved work-related injury leave may be assigned to Alternative Police Duties (“APD”) based on operational needs. APD includes the duties referenced below as well as other appropriate limited or modified police duties in the Department based on the operational needs of the Department and the medical limitations of the Officer. APD assignments are subject to the following:
ARTICLE 23
PROCEDURE FOR HEART AND LUNG ACT AND DISABILITY CLAIMS
(CONTINUED)

A. Officers on APD who have been reassigned to the Staff Services Division will not be required, but may agree to work an assignment in the Communications Center on an eight-hour shift between the hours of 11:00 PM and 7:00 AM, Monday through Sunday.

B. The Township will make every reasonable best effort to permit an Officer assigned to APD to attend any medical, rehabilitation or diagnostic treatment or other medical services related to the injury or illness during scheduled work hours as is operationally feasible. However, an Officer may be released from scheduled APD with pay and with prior approval by the Insurance Administrator and the Officer’s supervisor to attend any medical, rehabilitation or diagnostic treatment or other medical services related to the injury or illness. No overtime will be paid to attend any medical, rehabilitation or diagnostic treatment or other medical services related to the injury or illness outside of scheduled work hours.

C. There is no guarantee or entitlement to work on a holiday. However, if holiday work is available and offered in the area of assignment for an Officer on APD, that Officer will have first choice to work the holiday over an Officer working other assignments in the Police Department.

D. If a holiday falls on a regularly scheduled workday for an Officer on APD assigned to work in the Communications Center, that Officer would have first choice to work the holiday over any other Officer.

E. Officers assigned to APD may be entitled to night differential only as to hours actually worked between 3:00 PM and 7:00 AM, except that no shift differential shall be paid with respect to any hour worked on an eight (8) hour shift, which begins between 7:00 AM and 9:00 AM.

F. These APD assignments are temporary positions only and are not intended to create a permanent position.
SIGNATURE PAGE

IN WITNESS WHEREOF, the parties hereto intending to be legally bound hereby have hereunto set their hands and seals:

TOWNSHIP OF LOWER MERION
(“Township”)

By: [Signature]
TOWNSHIP MANAGER

Date: 6-13-18

By: [Signature]
PRESIDENT OF BOARD OF COMMISSIONERS

Date: 6-13-18

LOWER MERION FRATERNAL ORDER OF POLICE, LODGE NO. 28 (“Police”)

By: [Signature]
PRESIDENT

Date: 6-13-18

Attest: [Signature]
SECRETARY

Date: 6-14-18
Addendum "A"
Base Wage Schedule
## 2017-2020 Base Wage Schedule

### Hourly and Annual Compensation

<table>
<thead>
<tr>
<th>Grade/Position</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade &quot;D&quot; Police Officer</td>
<td>36.525</td>
<td>37.895</td>
<td>39.316</td>
<td>40.790</td>
</tr>
<tr>
<td></td>
<td>75,972</td>
<td>78,822</td>
<td>81,777</td>
<td>84,843</td>
</tr>
<tr>
<td>Grade &quot;C&quot; Police Officer</td>
<td>39.061</td>
<td>40.526</td>
<td>42.046</td>
<td>43.623</td>
</tr>
<tr>
<td></td>
<td>81,247</td>
<td>84,294</td>
<td>87,456</td>
<td>90,736</td>
</tr>
<tr>
<td>Grade &quot;B&quot; Police Officer</td>
<td>41.360</td>
<td>42.911</td>
<td>44.520</td>
<td>46.190</td>
</tr>
<tr>
<td></td>
<td>86,029</td>
<td>89,255</td>
<td>92,602</td>
<td>96,075</td>
</tr>
<tr>
<td>Grade &quot;A&quot; Police Officer</td>
<td>43.66</td>
<td>45.297</td>
<td>46.996</td>
<td>48.758</td>
</tr>
<tr>
<td></td>
<td>90,813</td>
<td>94,218</td>
<td>97,752</td>
<td>101,417</td>
</tr>
<tr>
<td>Senior Police Officer</td>
<td>46.22</td>
<td>47.953</td>
<td>49.751</td>
<td>51.617</td>
</tr>
<tr>
<td></td>
<td>96,138</td>
<td>99,742</td>
<td>103,482</td>
<td>107,363</td>
</tr>
<tr>
<td>Probationary Police Sergeant</td>
<td>49.218</td>
<td>51.064</td>
<td>52.979</td>
<td>54.966</td>
</tr>
<tr>
<td></td>
<td>102,373</td>
<td>106,213</td>
<td>110,196</td>
<td>114,329</td>
</tr>
<tr>
<td>Police Sergeant</td>
<td>52.422</td>
<td>54.388</td>
<td>56.428</td>
<td>58.544</td>
</tr>
<tr>
<td></td>
<td>109,038</td>
<td>113,127</td>
<td>117,370</td>
<td>121,772</td>
</tr>
</tbody>
</table>
Effective August 1, 2018, the High Deductible Health Plan is amended as follows:

Home Health Care:
Limit increased to 120 visits per calendar year.

Skilled Nursing Care:
Remove limit on number of visits per calendar year.

Private Duty Nursing:
Provide coverage with no limit on number of visits per calendar year.

While the plan design will not change from what is outlined in Addendum B, a new SBC will be created for each calendar year as the Department of Labor (DOL) provides templates that must be used by Insurance carriers.
The Summary of Benefits and Coverage document will help you choose a health plan. The SBC shows you how you and the plan would share the cost for covered health care services. NOTE: Information about the cost of this plan (called the premium) will be provided separately. This is only a summary. For more general definitions of common terms, such as allowed amount, balance billing, coinsurance, copayment, deductible, provider, or other underlined terms see the Glossary. You can view the Glossary at [www.dol.gov/ebsa/pdf/SBCUniformGlossary.pdf](http://www.dol.gov/ebsa/pdf/SBCUniformGlossary.pdf) or call 1-844-864-4352 to request a copy.

### Important Questions

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
<th>Why This Matters</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the overall deductible?</td>
<td>Preferred $2,000 person / $4,000 family, Non-Preferred $4,000 person / $8,000 family. Note: the maximum for an individual within a family for Preferred providers is $2,600.</td>
<td>Generally, you must pay all of the costs from providers up to the deductible amount before this plan begins to pay. If you have other family members on the plan, each family member must meet their own individual deductible until the total amount of deductible expenses paid by all family members meets the overall family deductible.</td>
</tr>
<tr>
<td>Are there services covered before you meet your deductible?</td>
<td>Yes. Preventive care</td>
<td>This plan covers some items and services even if you haven’t yet met the deductible amount. But a copayment or coinsurance may apply. For example, this plan covers certain preventive services without cost sharing and before you meet your deductible. See a list of covered preventive services at <a href="https://www.healthcare.gov/coverage/preventive-care-benefits/">https://www.healthcare.gov/coverage/preventive-care-benefits/</a>.</td>
</tr>
<tr>
<td>Are there other deductibles for specific services?</td>
<td>No</td>
<td>You don’t have to meet deductibles for specific services.</td>
</tr>
<tr>
<td>What is the out-of-pocket limit for this plan?</td>
<td>For Preferred providers $2,000 person / $4,000 family, Non-Preferred providers $10,000 person / $20,000 family. Note: the maximum for an individual within a family for Preferred providers is $2,600.</td>
<td>The out-of-pocket limit is the most you could pay in a year for covered services. If you have other family members in this plan, they have to meet their own out-of-pocket limits until the overall family out-of-pocket limit has been met.</td>
</tr>
<tr>
<td>What is not included in the out-of-pocket limit?</td>
<td>Premiums, balance-billed charges, health care this plan doesn’t cover and preauthorization penalties.</td>
<td>Even though you pay these expenses, they don’t count toward the out-of-pocket limit.</td>
</tr>
<tr>
<td>Will you pay less if you use a network provider?</td>
<td>Yes. See <a href="http://www.ibxtpa.com">www.ibxtpa.com</a> or call: 1-844-864-4352 for a list of Preferred providers.</td>
<td>This plan uses a provider network. You will pay less if you use a provider in the plan’s network. You will pay the most if you use an out-of-network provider, and you might receive a bill from a provider for the difference between the provider’s charge and what your plan pays (balance billing). Be aware, your network provider might use an out-of-network provider for some services (such as lab work). Check with your provider before you get services.</td>
</tr>
<tr>
<td>Do you need a referral to see a specialist?</td>
<td>No. You don’t need a referral to see a specialist.</td>
<td>You can see the specialist you choose without a referral.</td>
</tr>
</tbody>
</table>
All **copayment** and **coinsurance** costs shown in this chart are after your **deductible** has been met, if a **deductible** applies.

<table>
<thead>
<tr>
<th>Common Medical Event</th>
<th>Services You May Need</th>
<th>What You Will Pay</th>
<th>Limitations, Exceptions, &amp; Other Important Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>If you visit a health care provider’s office or clinic</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary care visit to treat an injury or illness</td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
<td>Includes Internist, General Physician, Family Practitioner or Pediatrician.</td>
</tr>
<tr>
<td>Specialist visit</td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
<td>---None---</td>
</tr>
<tr>
<td>Preventive care/screening/immunization</td>
<td>No Charge Deductible waived</td>
<td>20% coinsurance Deductible waived</td>
<td>You may have to pay for services that aren’t preventive. Ask your provider if the services you need are preventive. Then check what your plan will pay for. Age and frequency schedules may apply.</td>
</tr>
<tr>
<td><strong>If you have a test</strong></td>
<td>Diagnostic test (x-ray, blood work)</td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
</tr>
<tr>
<td>Imaging (CT/PET scans, MRIs)</td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
<td>---None---</td>
</tr>
<tr>
<td><strong>If you need drugs to treat your illness or condition</strong></td>
<td>Generic drugs</td>
<td>No Charge for retail after deductible</td>
<td>No Charge for retail Mail Order Not Covered</td>
</tr>
<tr>
<td></td>
<td>Preferred brand drugs</td>
<td>No Charge for retail after deductible</td>
<td>No Charge for retail Mail Order Not Covered</td>
</tr>
</tbody>
</table>

*More information about prescription drug coverage is available at [www.ibxtpa.com](http://www.ibxtpa.com)*
<table>
<thead>
<tr>
<th>Common Medical Event</th>
<th>Services You May Need</th>
<th>What You Will Pay</th>
<th>Limitations, Exceptions, &amp; Other Important Information</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Preferred Provider (You will pay the least)</td>
<td>Non-Preferred Provider (You will pay the most)</td>
</tr>
<tr>
<td></td>
<td>Non-preferred drugs</td>
<td>No Charge for retail after deductible No Charge for mail order after deductible</td>
<td>No Charge for retail after deductible Mail Order Not Covered</td>
</tr>
<tr>
<td>Specialty drugs</td>
<td>Paid the same as generic, preferred and non-preferred drugs</td>
<td>Paid the same as generic, preferred and non-preferred drugs</td>
<td>Paid the same as generic, preferred and non-preferred drugs.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>If you have outpatient surgery</td>
<td>Facility fee (e.g., ambulatory surgery center)</td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
</tr>
<tr>
<td></td>
<td>Physician/surgeon fees</td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
</tr>
<tr>
<td></td>
<td>Emergency room care</td>
<td>No Charge after deductible</td>
<td>No Charge after Preferred deductible</td>
</tr>
<tr>
<td></td>
<td>Emergency medical transportation</td>
<td>No Charge after deductible</td>
<td>No Charge after Preferred deductible</td>
</tr>
<tr>
<td></td>
<td>Urgent care</td>
<td>No Charge after deductible</td>
<td>No Charge after Preferred deductible</td>
</tr>
<tr>
<td>If you need immediate medical attention</td>
<td>Facility fee (e.g., hospital room)</td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
</tr>
<tr>
<td></td>
<td>Physician/surgeon fees</td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
</tr>
<tr>
<td>If you have a hospital stay</td>
<td>Outpatient services</td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
</tr>
<tr>
<td></td>
<td>Inpatient services</td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
</tr>
<tr>
<td>Common Medical Event</td>
<td>Services You May Need</td>
<td>What You Will Pay</td>
<td>Limitations, Exceptions, &amp; Other Important Information</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>----------------------------------------</td>
<td>---------------------------------------</td>
<td>--------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Preferred Provider (You will pay the least)</td>
<td>Non-Preferred Provider (You will pay the most)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
</tr>
<tr>
<td></td>
<td></td>
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<td>20% coinsurance after deductible</td>
</tr>
<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
</tr>
<tr>
<td>If you are pregnant</td>
<td>Office visits</td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
</tr>
<tr>
<td></td>
<td>Childbirth/delivery professional services</td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
</tr>
<tr>
<td></td>
<td>Childbirth/delivery facility services</td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
</tr>
<tr>
<td>If you need help recovering or have other special health needs</td>
<td>Home health care</td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
</tr>
<tr>
<td></td>
<td>Rehabilitation services</td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
</tr>
<tr>
<td></td>
<td>Habilitation services</td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
</tr>
<tr>
<td></td>
<td>Skilled nursing care</td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
</tr>
<tr>
<td></td>
<td>Durable medical equipment</td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
</tr>
<tr>
<td></td>
<td>Hospice services</td>
<td>No Charge after deductible</td>
<td>20% coinsurance after deductible</td>
</tr>
<tr>
<td>If your child needs dental or eye care</td>
<td>Children’s eye exam</td>
<td>Not Covered</td>
<td>Not Covered</td>
</tr>
<tr>
<td></td>
<td>Children’s glasses</td>
<td>Not Covered</td>
<td>Not Covered</td>
</tr>
<tr>
<td></td>
<td>Children’s dental check-up</td>
<td>Not Covered</td>
<td>Not Covered</td>
</tr>
</tbody>
</table>
Excluded Services & Other Covered Services:

<table>
<thead>
<tr>
<th>Services Your Plan Generally Does NOT Cover (Check your policy or plan document for more information and a list of any other excluded services.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Acupuncture</td>
</tr>
<tr>
<td>• Cosmetic surgery</td>
</tr>
<tr>
<td>• Dental care (Adult)</td>
</tr>
<tr>
<td>• Hearing Aids</td>
</tr>
<tr>
<td>• Long Term Care</td>
</tr>
<tr>
<td>• Non-emergency care when traveling outside the U.S.</td>
</tr>
<tr>
<td>• Routine eye care (Adult)</td>
</tr>
<tr>
<td>• Routine foot care</td>
</tr>
<tr>
<td>• Weight loss program</td>
</tr>
</tbody>
</table>

Other Covered Services (Limitations may apply to these services. This isn’t a complete list. Please see your plan document.)

<table>
<thead>
<tr>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Bariatric surgery</td>
</tr>
<tr>
<td>• Chiropractic care</td>
</tr>
<tr>
<td>• Infertility Treatment (Coverage is limited to the diagnosis and treatment of underlying medical condition, artificial insemination &amp; ovulation induction. Limit: Unlimited attempts per lifetime per participant)</td>
</tr>
<tr>
<td>• Private-duty nursing</td>
</tr>
</tbody>
</table>

Your Rights to Continue Coverage: There are agencies that can help if you want to continue your coverage after it ends. The contact information for those agencies is: U.S. Department of Labor, Employee Benefits Security Administration at 1-866-444-EBSA (3272) or www.dol.gov/ebsa/healthreform. Other coverage options may be available to you too, including buying individual insurance coverage through the Health Insurance Marketplace. For more information about the Marketplace, visit www.HealthCare.gov or call 1-800-318-2596.

Your Grievance and Appeals Rights: There are agencies that can help if you have a complaint against your plan for a denial of a claim. This complaint is called a grievance or appeal. For more information about your rights, look at the explanation of benefits you will receive for that medical claim. Your plan documents also provide complete information to submit a claim, appeal, or a grievance for any reason to your plan. For more information about your rights, this notice, or assistance, contact: 1-844-864-4352 or www.ibxtpa.com. You may also contact the Department of Labor's Employee Benefits Security Administration at 1-866-444-EBSA (3272) or www.dol.gov/ebsa/healthreform.

Does this plan provide Minimum Essential Coverage? Yes
If you don’t have Minimum Essential Coverage for a month, you’ll have to make a payment when you file your tax return unless you qualify for an exemption from the requirement that you have health coverage for that month.

Does this plan meet the Minimum Value Standards? Yes
If your plan doesn’t meet the Minimum Value Standards, you may be eligible for a premium tax credit to help you pay for a plan through the Marketplace.
Nondiscrimination Notice and Notice of Availability of Auxiliary Aids and Services

Independence Administrators complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. Independence Administrators does not exclude people or treat them differently because of race, color, national origin, age, disability, or sex.

Independence Administrators:
- Provides free aids and services to people with disabilities to communicate effectively with us and written information in other formats, such as large print
- Provides free language services to people whose primary language is not English and information written in other languages

If you need these services, contact our Civil Rights Coordinator.

If you believe that Independence Administrators has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability, or sex, you can file a grievance with our Civil Rights Coordinator.

There are four ways to file a grievance directly with Independence Administrators:
- by mail: Independence Administrators,
  ATTN: Civil Rights Coordinator, 1900 Market Street, Philadelphia, PA 19103;
- by phone: 888-356-7899 (TTY 711);
- by fax: 215-761-0920; or
- by email: IACivilRightsCoordinator@ibxtpa.com.

If you need help filing a grievance, our Civil Rights Coordinator is available to help you.

Language Access Services:

ATTENTION: If you speak English, language assistance services, free of charge, are available to you. Call 1-888-356-7899 (TTY: 711).


注意, 如果您使用简体中文, 您可以免费获得语言协助服务。请致电1-888-356-7899。

LUU Y: Nếu quý vị nói tiếng Việt, có dịch vụ trợ giúp ngôn ngữ miễn phí dành cho quý vị. Xin gọi số 1-888-356-7899.

ВНИМАНИЕ: Если вы говорите по-русски, вам предлагается бесплатные услуги переводчика. Позвоните по телефону 1-888-356-7899.


알림: 한국어 통역서비스가 필요한 분은 1-888-356-7899으로 전화해주세요. 통역서비스를 무료로 받으실 수 있습니다.

ATTENZIONE: se parla italiano, sono disponibili per lei servizi di assistenza linguistica gratuiti. Contattare il numero 1-888-356-7899.

통역: 이 통역 서비스가 필요한 분은 1-888-356-7899으로 전화해주세요. 통역 서비스를 무료로 받으실 수 있습니다.

ATTENTION: Si vous parlez français, des services d’assistance linguistique gratuits sont à votre disposition. Appelez le 1-888-356-7899.

HINWEIS: Wenn Sie Deutsch sprechen, steht Ihnen über Language Assistance Services ein Dolmetscher kosten zur Verfügung. Wählen Sie 1-888-356-7899.

**To see examples of how this plan might cover costs for a sample medical situation, see the next section.**

---

**Notes:**

- **Gujarati:** તમે નાંખી બુકમાં બેઠક હોવો હોય, તો તમારા માટે સાધારણ સુવિધાઓ, જેમ મૂકલી, દોણી છે. 1-888-356-7899 પર કોઇ રસીદ નથી.

- **Polish:** Jeżeli mówi po polsku, możesz skorzystać z bezpłatnej pomocy językowej. Zadzwoń pod numer 1-888-356-7899.

- **Haitian Creole:** Si ou pale kreyò ayisyen, gen asistans ak lang disponib pou ou gratis. Rele 1-888-356-7899.

- **Bengali:** তুমি সম্পাদন ম্যাগাজিন, যে টুকরো বা কোনও উপভাষা অফিসের প্রতি মনোযোগ দিয় প্রতিযোগিতায় সংরক্ষিত বিভাগ 1-888-356-7899 এ সংযোগ করে নেও।

- **Portuguese:** se você fala português, serviços de assistência a idioma estão disponíveis gratuitamente para você. Ligue para 1-888-356-7899.

- **Vietnamese:** Để xem ví dụ về cách chi phí này có thể được bao gồm trong một tình huống y tế, hãy xem phần tiếp theo.

- **Russian:** Если вы говорите по-русски, вам предоставляются бесплатные услуги переводчика. Звонить по номеру 1-888-356-7899.

- **Chinese (Traditional):** 在此计划下，您可以了解如何为样本医疗情况支付费用。请查看下一个部分。

- **Chinese (Simplified):** 在此计划下，您可以了解如何为样本医疗情况支付费用。请查看下一个部分。

- **German:** Wenn Sie Deutsch sprechen, steht Ihnen über Language Assistance Services ein Dolmetscher kosten zur Verfügung. Wählen Sie 1-888-356-7899.
**About these Coverage Examples:**

**This is not a cost estimator.** Treatments shown are just examples of how this plan might cover medical care. Your actual costs will be different depending on the actual care you receive, the prices your providers charge, and many other factors. Focus on the cost sharing amounts (deductibles, copayments and coinsurance) and excluded services under the plan. Use this information to compare the portion of costs you might pay under different health plans. Please note these coverage examples are based on self-only coverage.

<table>
<thead>
<tr>
<th>Peg is Having a Baby</th>
<th>Managing Joe's type 2 Diabetes</th>
<th>Mia’s Simple Fracture</th>
</tr>
</thead>
<tbody>
<tr>
<td>(9 months of in-network pre-natal care and a hospital delivery)</td>
<td>(a year of routine in-network care of a well-controlled condition)</td>
<td>(in-network emergency room visit and follow up care)</td>
</tr>
<tr>
<td>The plan’s overall deductible</td>
<td>$2,000</td>
<td>The plan’s overall deductible</td>
</tr>
<tr>
<td><strong>Specialist</strong> no cost sharing</td>
<td>$0</td>
<td><strong>Specialist</strong> no cost sharing</td>
</tr>
<tr>
<td><strong>Hospital (facility)</strong> no cost sharing</td>
<td>$0</td>
<td><strong>Hospital (facility)</strong> no cost sharing</td>
</tr>
<tr>
<td><strong>Other</strong> no cost sharing</td>
<td>$0</td>
<td><strong>Other</strong> no cost sharing</td>
</tr>
</tbody>
</table>

This EXAMPLE event includes services like:

- Specialist office visits *(prenatal care)*
- Childbirth/Delivery Professional Services
- Childbirth/Delivery Facility Services
- Diagnostic tests *(ultrasounds and blood work)*
- Specialist visit *(anesthesia)*

**Total Example Cost** | $12,800

In this example, Peg would pay:

| Cost Sharing          |  |
|-----------------------|-----------------
| Deductibles           | $2,000         |
| Copayments            | $0             |
| Coinsurance           | $0             |
| **What isn’t covered** | $60 |

The total Peg would pay is | $2,060

| **Managing Joe’s type 2 Diabetes** |  |
|------------------------------------|-----------------
| The plan’s overall deductible | $2,000 |
| **Specialist** no cost sharing | $0 |
| **Hospital (facility)** no cost sharing | $0 |
| **Other** no cost sharing | $0 |

This EXAMPLE event includes services like:

- Primary care physician office visits *(including disease education)*
- Diagnostic tests *(blood work)*
- Prescription drugs
- Durable medical equipment *(glucose meter)*

**Total Example Cost** | $7,400

In this example, Joe would pay:

| Cost Sharing          |  |
|-----------------------|-----------------
| Deductibles           | $2,000         |
| Copayments            | $0             |
| Coinsurance           | $0             |
| **What isn’t covered** | $60 |

The total Joe would pay is | $2,060

| **Mia’s Simple Fracture** |  |
|---------------------------|-----------------
| The plan’s overall deductible | $2,000 |
| **Specialist** no cost sharing | $0 |
| **Hospital (facility)** no cost sharing | $0 |
| **Other** no cost sharing | $0 |

This EXAMPLE event includes services like:

- Emergency room care *(including medical supplies)*
- Diagnostic test *(x-ray)*
- Durable medical equipment *(crutches)*
- Rehabilitation services *(physical therapy)*

**Total Example Cost** | $1,900

In this example, Mia would pay:

| Cost Sharing          |  |
|-----------------------|-----------------
| Deductibles           | $1,930         |
| Copayments            | $0             |
| Coinsurance           | $0             |
| **What isn’t covered** | $60 |

The total Mia would pay is | $1,930

The plan would be responsible for the other costs of these EXAMPLE covered services.
Addendum "C"
Dental Plan Benefits Summary
## Dental Benefits Summary for Township of Lower Merion

**Group Number:** 920396000

**Network:** Advantage

### Benefit Category

<table>
<thead>
<tr>
<th>Benefit Category</th>
<th>CONCORDIA FLEX PLAN</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In-Network</td>
<td>Non-Network</td>
</tr>
<tr>
<td><strong>Class I – Diagnostic/Preventive Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exams</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Bitewing X-rays</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Other X-rays</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cleanings &amp; Fluoride Treatments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sealants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Palliative Treatment</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Class II – Basic Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic Restorative (Fillings)</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Space Maintainers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repairs of Crowns, Inlays, Onlays, Bridges &amp; Dentures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endodontics</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Nonsurgical Periodontics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surgical Periodontics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complex Oral Surgery</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Anesthesia</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Class III – Major Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inlays, Onlays, Crowns</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Prosthetics (Bridges, Dentures)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Orthodontics for dependent children to age 19</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diagnostic, Active, Retention Treatment</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Maximums &amp; Deductibles (applies to the combination of services received from network and non-network dentists)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Program Deductible (per person/per family)</td>
<td>$50/$150</td>
<td>Excludes Class I &amp; Orthodontics</td>
</tr>
<tr>
<td>Annual Program Maximum (per person)</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Lifetime Orthodontic Maximum (per person)</td>
<td>$2,500</td>
<td></td>
</tr>
</tbody>
</table>

**Representative listing of covered services – certificate of coverage provides a detailed description of benefits.**

2. Reimbursement is based on our schedule of maximum allowable charges (MACs). Network dentists agree to accept our allowances as payment in full for covered services. Non-network dentists may bill the member for any difference between our allowance and their fee (also known as balance billing). United Concordia Dental’s standard exclusions and limitations apply.
3. Composite fillings are covered when performed on posterior teeth.
Addendum "D"

Vision Plan Benefits Summary
## FREQUENCY OF SERVICE

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Employee</th>
<th>Spouse</th>
<th>Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision Exam</td>
<td>12 Months</td>
<td>12 Months</td>
<td>12 Months</td>
</tr>
<tr>
<td>Lenses</td>
<td>12 Months</td>
<td>12 Months</td>
<td>12 Months</td>
</tr>
<tr>
<td>Frames</td>
<td>12 Months</td>
<td>12 Months</td>
<td>12 Months</td>
</tr>
</tbody>
</table>

### BENEFITS: Employee can select either:

<table>
<thead>
<tr>
<th>Vision Exam (For Glasses)</th>
<th>VBA Participating Provider</th>
<th>Non-Participating Provider</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount Covered/Benefit</td>
<td>Amount Reimbursed</td>
</tr>
<tr>
<td>(Zero Copayment)</td>
<td></td>
<td>(Zero Copayment)</td>
</tr>
<tr>
<td>Vision Exam</td>
<td>100%</td>
<td>$35</td>
</tr>
<tr>
<td>Clear Standard Lenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Pair):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single Vision</td>
<td>100%</td>
<td>$30</td>
</tr>
<tr>
<td>Bifocal</td>
<td>100%</td>
<td>$40</td>
</tr>
<tr>
<td>Blended Bifocal</td>
<td>100%</td>
<td>$40</td>
</tr>
<tr>
<td>Trifocal</td>
<td>100%</td>
<td>$60</td>
</tr>
<tr>
<td>Progressives D</td>
<td>Controlled Cost A</td>
<td>$60</td>
</tr>
<tr>
<td>Lenticular</td>
<td>100%</td>
<td>$80</td>
</tr>
<tr>
<td>Polycarbonate C</td>
<td>100%</td>
<td>N/A</td>
</tr>
<tr>
<td>Scratch Coat-2 Yr</td>
<td>100%</td>
<td>N/A</td>
</tr>
<tr>
<td>UV Coatings</td>
<td>100%</td>
<td>N/A</td>
</tr>
<tr>
<td>Solid and Gradient Tints</td>
<td>100%</td>
<td>N/A</td>
</tr>
<tr>
<td>Frame B</td>
<td>100%</td>
<td>$40</td>
</tr>
<tr>
<td>Contacts (selected in lieu of eyeglass benefits listed above)</td>
<td>$200</td>
<td>$200</td>
</tr>
<tr>
<td>Elective Contacts E</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medically Required Contacts F</td>
<td>100%</td>
<td>$250</td>
</tr>
</tbody>
</table>

A. Unless otherwise prohibited by law.
B. Within the program's $60 wholesale allowance (approximately $150 - $180 retail).
C. Available In-Network at no charge for children under age 19.
D. Progressive lenses typically retail from $150 to $400, depending on lens options. VBA's controlled costs generally range from $45 to $175.
E. The contact allowance is applied to all services/materials associated with contact lenses. This includes, but not limited to, contact exam, fitting, dispensing, cost of the lenses, etc. No guarantee the contact allowance will cover the entire contact cost (materials/services).
F. Medically Required Contacts may only be selected in lieu of all other material benefits listed herein.

NOTE: Benefit eligibility is based on enrollees/dependent Last Date of Service.
Limitations

VBA is designed to cover visual needs rather than cosmetic materials and consequently includes some limitations in order to control costs. The following options or services will generally result in additional charges to the patient or are not covered under the plan.

**ADDITIONAL CHARGES**

A patient selecting any of the following items will be responsible for the additional charges, all of which are monitored and controlled by VBA.

- Photochromic/Polarized Lenses
- Polycarbonate (covered under age 19)
- Hi-index Lenses
- Progressive (available starting at $45)
- The coating of the lens or lenses (except UV 400 and 2 year scratch protection)
- A frame that costs more than the plan allowance
- Rimless Frames
- Anti-Reflective/Backside UV/Optifog

Additionally, costs for contact lenses/services in excess of the plan’s scheduled reimbursement allowances are the responsibility of the patient.

**NOT COVERED**

The contract gives VBA the right to waive any of the plan limitations if, in the opinion of our optometric consultants, it is necessary for the patient’s welfare. VBA provides no benefit for professional services or materials connected with the following:

- Orthoptics or vision training
- Non-prescription lenses
- Two pair of glasses in lieu of bifocals
- Medical or surgical treatment of the eyes
- Any eye examination, or corrective eyewear, required by an employer as a condition of employment
- Services or materials provided as a result of any Worker’s Compensation Law or similar legislation
- Glasses and contacts during the same eligibility period

Lenses and frames furnished under this program which are lost or broken will not be replaced except at the normal intervals when services are otherwise available.
Addendum "E"
Opt-Out Waiver Amounts
## 2017-2020 Opt Out Waiver Amounts
### Hired Pre 9/13/2004

### Total Opt Out

<table>
<thead>
<tr>
<th>Tier</th>
<th>Monthly Employee Reimbursement</th>
<th>Annual Employee Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td>$1,120</td>
<td>$13,440</td>
</tr>
<tr>
<td>Husband/Wife</td>
<td>$866</td>
<td>$10,392</td>
</tr>
<tr>
<td>Parent/Children</td>
<td>$866</td>
<td>$10,392</td>
</tr>
<tr>
<td>Parent/Child</td>
<td>$627</td>
<td>$7,524</td>
</tr>
<tr>
<td>Single</td>
<td>$387</td>
<td>$4,644</td>
</tr>
</tbody>
</table>

### Medical/Prescription Opt Out

<table>
<thead>
<tr>
<th>Tier</th>
<th>Monthly Employee Reimbursement</th>
<th>Annual Employee Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td>$1,047</td>
<td>$12,564</td>
</tr>
<tr>
<td>Husband/Wife</td>
<td>$821</td>
<td>$9,852</td>
</tr>
<tr>
<td>Parent/Children</td>
<td>$814</td>
<td>$9,768</td>
</tr>
<tr>
<td>Parent/Child</td>
<td>$580</td>
<td>$6,960</td>
</tr>
<tr>
<td>Single</td>
<td>$364</td>
<td>$4,368</td>
</tr>
</tbody>
</table>

### Dental/Vision Opt Out

<table>
<thead>
<tr>
<th>Tier</th>
<th>Monthly Employee Reimbursement</th>
<th>Annual Employee Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td>$69</td>
<td>$828</td>
</tr>
<tr>
<td>Husband/Wife</td>
<td>$43</td>
<td>$516</td>
</tr>
<tr>
<td>Parent/Children</td>
<td>$49</td>
<td>$588</td>
</tr>
<tr>
<td>Parent/Child</td>
<td>$44</td>
<td>$528</td>
</tr>
<tr>
<td>Single</td>
<td>$22</td>
<td>$264</td>
</tr>
</tbody>
</table>
### 2017-2020 Opt Out Waiver Amounts

**Hired 9/13/04-12/31/09**

#### Total Opt Out

<table>
<thead>
<tr>
<th>Tier</th>
<th>Monthly Employee Reimbursement</th>
<th>Annual Employee Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td>$1,104</td>
<td>$13,248</td>
</tr>
<tr>
<td>Husband/Wife</td>
<td>$852</td>
<td>$10,224</td>
</tr>
<tr>
<td>Parent/Children</td>
<td>$817</td>
<td>$9,804</td>
</tr>
<tr>
<td>Parent/Child</td>
<td>$579</td>
<td>$6,948</td>
</tr>
<tr>
<td>Single</td>
<td>$374</td>
<td>$4,488</td>
</tr>
</tbody>
</table>

#### Medical/Prescription Opt Out

<table>
<thead>
<tr>
<th>Tier</th>
<th>Monthly Employee Reimbursement</th>
<th>Annual Employee Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td>$1,030</td>
<td>$12,360</td>
</tr>
<tr>
<td>Husband/Wife</td>
<td>$806</td>
<td>$9,672</td>
</tr>
<tr>
<td>Parent/Children</td>
<td>$765</td>
<td>$9,180</td>
</tr>
<tr>
<td>Parent/Child</td>
<td>$531</td>
<td>$6,372</td>
</tr>
<tr>
<td>Single</td>
<td>$350</td>
<td>$4,200</td>
</tr>
</tbody>
</table>

#### Dental/Vision Opt Out

<table>
<thead>
<tr>
<th>Tier</th>
<th>Monthly Employee Reimbursement</th>
<th>Annual Employee Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td>$69</td>
<td>$828</td>
</tr>
<tr>
<td>Husband/Wife</td>
<td>$43</td>
<td>$516</td>
</tr>
<tr>
<td>Parent/Children</td>
<td>$49</td>
<td>$588</td>
</tr>
<tr>
<td>Parent/Child</td>
<td>$44</td>
<td>$528</td>
</tr>
<tr>
<td>Single</td>
<td>$22</td>
<td>$264</td>
</tr>
</tbody>
</table>
### 2017-2020 Opt Out Waiver Amounts
**Hired 1/1/10-12/31/12**

#### Total Opt Out

<table>
<thead>
<tr>
<th>Tier</th>
<th>Monthly Employee Reimbursement</th>
<th>Annual Employee Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td>$1,091</td>
<td>$13,092</td>
</tr>
<tr>
<td>Husband/Wife</td>
<td>$841</td>
<td>$10,092</td>
</tr>
<tr>
<td>Parent/Children</td>
<td>$807</td>
<td>$9,684</td>
</tr>
<tr>
<td>Parent/Child</td>
<td>$572</td>
<td>$6,864</td>
</tr>
<tr>
<td>Single</td>
<td>$369</td>
<td>$4,428</td>
</tr>
</tbody>
</table>

#### Medical/Prescription Opt Out

<table>
<thead>
<tr>
<th>Tier</th>
<th>Monthly Employee Reimbursement</th>
<th>Annual Employee Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td>$1,015</td>
<td>$12,180</td>
</tr>
<tr>
<td>Husband/Wife</td>
<td>$795</td>
<td>$9,540</td>
</tr>
<tr>
<td>Parent/Children</td>
<td>$754</td>
<td>$9,048</td>
</tr>
<tr>
<td>Parent/Child</td>
<td>$524</td>
<td>$6,288</td>
</tr>
<tr>
<td>Single</td>
<td>$345</td>
<td>$4,140</td>
</tr>
</tbody>
</table>

#### Dental/Vision Opt Out

<table>
<thead>
<tr>
<th>Tier</th>
<th>Monthly Employee Reimbursement</th>
<th>Annual Employee Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td>$44</td>
<td>$528</td>
</tr>
<tr>
<td>Husband/Wife</td>
<td>$22</td>
<td>$264</td>
</tr>
<tr>
<td>Parent/Children</td>
<td>$30</td>
<td>$360</td>
</tr>
<tr>
<td>Parent/Child</td>
<td>$32</td>
<td>$384</td>
</tr>
<tr>
<td>Single</td>
<td>$13</td>
<td>$156</td>
</tr>
</tbody>
</table>
### 2017-2020 Opt Out Waiver Amounts
**Hired After 1/1/13**

#### Total Opt Out

<table>
<thead>
<tr>
<th>Tier</th>
<th>Monthly Employee Reimbursement</th>
<th>Annual Employee Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td>$829</td>
<td>$9,948</td>
</tr>
<tr>
<td>Husband/Wife</td>
<td>$639</td>
<td>$7,668</td>
</tr>
<tr>
<td>Parent/Children</td>
<td>$613</td>
<td>$7,356</td>
</tr>
<tr>
<td>Parent/Child</td>
<td>$435</td>
<td>$5,220</td>
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<tr>
<td>Single</td>
<td>$280</td>
<td>$3,360</td>
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</table>

#### Medical/Prescription Opt Out

<table>
<thead>
<tr>
<th>Tier</th>
<th>Monthly Employee Reimbursement</th>
<th>Annual Employee Reimbursement</th>
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</thead>
<tbody>
<tr>
<td>Family</td>
<td>$769</td>
<td>$9,228</td>
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<tr>
<td>Husband/Wife</td>
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<td>$7,224</td>
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<td>$4,752</td>
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<td>$261</td>
<td>$3,132</td>
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#### Dental/Vision Opt Out

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<thead>
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<th>Tier</th>
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<tbody>
<tr>
<td>Family</td>
<td>$55</td>
<td>$660</td>
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<tr>
<td>Husband/Wife</td>
<td>$34</td>
<td>$408</td>
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<td>Parent/Children</td>
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<td>$468</td>
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<tr>
<td>Parent/Child</td>
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<td>$420</td>
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<tr>
<td>Single</td>
<td>$17</td>
<td>$204</td>
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Addendum "F"
Monthly Retiree Healthcare Contributions
Monthly Retiree Healthcare Contributions

Retired after 1/1/17
Retirees will pay 4% of the plan the Retiree was in at the time of their retirement.

<table>
<thead>
<tr>
<th></th>
<th>Single</th>
<th>H/W</th>
</tr>
</thead>
<tbody>
<tr>
<td>HDHP with integrated Rx (Plan 17)</td>
<td>$705.58</td>
<td>$1,625.20</td>
</tr>
<tr>
<td>2017 Township Allowance 96%</td>
<td>$677.36</td>
<td>$1,560.19</td>
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<tr>
<td>Retiree Responsibility 4%</td>
<td>$28.22</td>
<td>$65.01</td>
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</table>

Healthcare Reimbursement Account (HRA)*

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<tr>
<th></th>
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<th>H/W</th>
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</thead>
<tbody>
<tr>
<td>2017 Township Reimbursement - Opt-Out</td>
<td>$218.03</td>
<td>$520.85</td>
</tr>
<tr>
<td>2017 Township Reimbursment - Medicare</td>
<td>$392.74</td>
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Out of Area Healthcare Benefits (OOA) **

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<thead>
<tr>
<th></th>
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<th>H/W</th>
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<tbody>
<tr>
<td>2017 Township Contribution</td>
<td>$647.02</td>
<td>$1,544.73</td>
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</table>

* The Township’s contribution will increase (or decrease) in 2018, 2019 and 2020 in accordance with CPI. CPI is measured by the Consumer Price Index (CPI) – Urban Wage Earners and Clerical Workers (CPI-W) for Philadelphia (1982 – 1984 = 100) for the twelve (12) month period ending in August and published in September preceding the January 1st effective date of the adjustment.

** The amounts as outlined above shall increase in 2018, 2019 and 2020 up to a maximum of 10% for each year based on that year’s cost increases to the Township’s applicable retiree healthcare insurance plan(s).
Addendum "G"
Act 44 Deferred Retirement Option program
(Act 44 DRO)
Township of Lower Merion Police Pension Fund
Act 44 Deferred Retirement Option program (Act 44 DRO)

Definition of Compensation

Effective January 1, 2017, any health insurance opt-out payments earned on or after January 1, 2017 shall be excluded from the participant’s compensation.

Act 44 Deferred Retirement Option program

Effective January 1, 2017, any Police Officer who reaches normal retirement date (defined as attainment of age 50 and completion of 25 years of service) shall be eligible to participate under the Act 44 Deferred Retirement Option program (Act 44 DRO), subject to the following requirements.

(1) Definitions - For purposes of this Act 44 DRO, the following definitions shall apply.

(A) Beneficiary – Beneficiary means the individual(s) designated by the Police Officer in accordance with Section 4.1(b) to receive the Act 44 DRO account balance in the event of the Police Officer's death during a period in which the Police Officer is participating in the Act 44 DRO, but before the Police Officer separates from employment.

(B) Act 44 DRO – Act 44 DRO means the Act 44 Deferred Retirement Option program.

(C) Act 44 DRO Account – Act 44 DRO account means the account created to accept the Participant's monthly pension payments while an Act 44 DRO program Participant.

(D) Act 44 DRO Period – Act 44 DRO period means the period beginning as of the participating Police Officer's written notarized election notice as acknowledged by the employer and continuing until that Police Officer's separation from employment as a Police Officer of the employer, but in no event to exceed 48 months.

(E) Participant – Participant means any Police Officer member of the Plan who has made an appropriate election to enter the Act 44 DRO program.

(F) Police Officer – Police Officer means any participant of the Plan who is an active employee of the employer.

(G) Resignation Date – The date specified in the Participant's irrevocable Act 44 DRO election notice, as appropriately filed with the employer, as of which the Participant shall resign from employment as a Police Officer with the employer. In no event shall the Resignation Date be longer than 48 months from the effective date of the Act 44 DRO election notice form.
Act 44 DRO Eligibility - As of the effective date of this Section 3.4(c), a Police Officer who has not retired prior to the implementation of the Act 44 DRO program may enter into the program on the first day of any month coincident with, or following, satisfaction of the normal retirement date requirements (attainment of age 50 and completion of 25 years of service).

(A) Written Election - A Police Officer electing to participate in the Act 44 DRO must complete and execute an Act 44 DRO election notice form prepared by the employer at least 30 days prior to the effective date, which shall evidence the Participant's participation in the program. The form must be signed by the Participant and notarized and submitted to the employer prior to the date on which the Participant wishes the Act 44 DRO election notice to be effective. The Act 44 DRO election notice shall include an irrevocable notice to the employer, by the Participant, that the Participant shall resign from employment with the employer effective on the Resignation Date. A Participant shall cease to work as a police officer on the Resignation Date, unless the employer terminates or honorably discharges the police officer prior to the Resignation Date.

(B) Pension Benefit Distribution – The Participant must complete and file with the Plan administrator any forms required for the commencement of the pension distribution, other than tax-related forms necessary for a distribution payment outside of the trust.

(C) Finality of Election - Once the employer executes the Act 44 DRO election notice, the election is irrevocable.

(3) Pension Contributions - After a Police Officer elects to participate in the Act 44 DRO by the execution of the written election forms, the Participant shall not be required to make any contributions to the Plan under the provisions of Section 6.2 during the Act 44 DRO period.

(4) Limitation on Pension Accrual - After the effective date of the Act 44 DRO election, the Participant shall no longer earn or accrue additional years of benefit service for pension calculation purposes. No benefit increases that may occur after an Act 44 DRO Participant's commencement of participation in the Act 44 DRO program, including bargained pension enhancements, mandated pension enhancements through arbitration or pension enhancements mandated by law (unless the mandate specifically modifies Act 44 Deferred Retirement Option plans) will increase the frozen Act 44 DRO pension as calculated and determined in accordance with Section 3.4(c)(5).

(5) Benefit Calculation - For all Plan purposes, the years of benefit service of a Police Officer participating in the Act 44 DRO shall remain as they existed on the effective date of commencement of participation in the program. Service thereafter shall not be recognized or used for the calculation or determination of any benefits payable by the Plan. The average monthly compensation of the Police Officer for pension calculation purposes shall remain as it existed on the effective date of commencement of participation in the Act 44 DRO. Earnings or increases in earnings thereafter shall not be recognized or used for the calculation or determination of any benefits payable by the Plan. The pension benefit payable to the Participant shall increase only as a result of cost-of-living adjustments in effect on the effective date of the
Participant's participation in the Act 44 DRO or by applicable cost-of-living adjustments specifically granted with respect to the Act 44 DRO thereafter.

(6) **Payments to the Act 44 DRO Account** - The monthly retirement benefits that would have been payable had the Police Officer elected to cease employment and receive a retirement benefit shall, upon commencement of participation in the Act 44 DRO program, be held under the Plan trust.

A separate accounting shall be made for each Participant’s Act 44 DRO account. The account shall not earn or accrue any interest or other investment return, nor shall it be subject to any administrative or other expenses.

(7) **Accrual of Non-Pension Benefits** - After a Police Officer elects to participate in the Act 44 DRO program, all other contractual benefits shall continue to accrue in accordance with any collective bargaining agreement applicable to the Participant with the exception of those provisions relating to this program.

(8) **Disability During Act 44 DRO Period** - If a Police Officer becomes temporarily incapacitated during participation in the Act 44 DRO program, the Police Officer may continue to participate in the program as long as the Police Officer is employed. The Police Officer shall receive disability benefits (including Heart and Lung benefits, if eligible and such benefits are applicable) in the same amount as disabled Police Officers that are not participating in the program. In no event shall a Participant on temporary disability have the ability to draw from the Act 44 DRO account.

If a Participant becomes permanently disabled during the Act 44 DRO period, the Police Officer shall be honorably discharged from employment; on such date the Participant shall receive the Act 44 DRO account balance and, thereafter, commence receiving the frozen Act 44 DRO pension benefit. If such disability is deemed a service-connected disability, the monthly pension benefit shall be reclassified as being on account of a service-connected disability, but the amount of the monthly pension shall be identical to the Participant’s frozen Act 44 DRO pension benefit. Such Participant shall not receive any other disability payment under the Plan.

Notwithstanding any other provision in this section or the collective bargaining agreement, if a Police Officer is disabled and has not returned to work as of the required Resignation Date; then, such resignation shall take precedence over all other provisions herein or the collective bargaining agreement and said Police Officer shall be required to resign.

(9) **Death During Act 44 DRO Period** - If an Act 44 DRO Participant dies during the Act 44 DRO period, the Participant's designated beneficiary shall be entitled to a lump sum payment of the Act 44 DRO account balance in addition to any death benefit payable under Section 4.2(b). The beneficiary shall not be permitted to defer receipt of the Act 44 DRO account.

(10) **Termination of Employment** – An Act 44 DRO Participant may voluntarily terminate employment prior to the Participant’s designated Resignation Date. Upon such termination
whether voluntary or involuntary, the Act 44 DRO account shall be distributed in accordance with Section 3.4(c)(11). Neither the Act 44 DRO program nor the acceptance of an Act 44 DRO election shall be construed as creating or changing any contract of employment between the employer and its employees, and the employer retains the right to deal with its employees in the same manner as though an Act 44 DRO account had not been created.

(11) **Distribution of Act 44 DRO Account** - Upon the Resignation Date set forth in the Participant's Act 44 DRO election notice, the retirement benefits payable to the Police Officer shall no longer be paid to the Act 44 DRO account. If not previously terminated, the Participant's employment shall terminate automatically as of such Resignation Date. Within 30 days following the termination of the police officer's employment pursuant to the participation in the Act 44 DRO program, the balance in the Participant’s Act 44 DRO account shall be paid to the Participant in a single lump sum payment. For any distribution in excess of $200, the Plan administrator shall give the Participant written notice of eligible rollover distribution rights.

(12) **Forfeiture of Benefits** – Notwithstanding a Police Officer’s participation in the Act 44 DRO, a Police Officer who is convicted or pleads guilty to engaging in criminal misconduct which constitutes a “crime related to public office or public employment”, as that phrase is defined in Pennsylvania’s Pension Forfeiture Act, 43 P.S. 1311-1314, shall forfeit the right to receive a pension, including any amounts currently deposited in the Act 44 DRO account. In such a case, the Act 44 DRO Participant shall only be entitled to receive the contributions, if any, made by the Participant to the fund under Section 6.2, without interest.

(13) **Cost of Management for Act 44 DRO Program** – Any costs or fees associated with the management of the Act 44 DRO accounts shall be paid directly from the Police Pension Fund.

(14) **Amendment** – Any amendments to this Section 3.4(c) shall be consistent with the provisions covering Act 44 deferred retirement option programs set forth in any applicable collective bargaining agreement and shall be binding upon all future Act 44 DRO Participants and upon all Participants who have balances in their Act 44 DRO accounts. The Act 44 DRO program may only be amended by written instrument, not by any oral agreement or past practice.

(15) **Severability** – The provisions of this Act 44 DRO program shall be severable, and if any of its provisions shall be held to be unconstitutional or illegal, the validity of any of the remaining provisions shall not be affected thereby.
Township of Lower Merion Police Pension Fund
Act 44 Deferred Retirement Option program (Act 44 DRO)
Election Form

I, ______________________________, hereby elect to participate in Lower Merion Township’s Act 44 Deferred Retirement Option program (“Act 44 DRO”), effective ________________ (“My Act 44 DRO Date”). The Act 44 DRO Date must be at least 30 days after this form is completed and notarized and must be effective on the first day of a month.

As a condition of my participation in the Act 44 DRO program, I understand that I must identify a date certain on which I will retire from my employment with Lower Merion Township. Accordingly, I hereby declare my intent to retire from the Township on _____________________, 20____ (“My Resignation Date”). I understand that my Resignation Date cannot be longer than 48 months from my Act 44 DRO date. I understand that the designation of my Resignation Date is irrevocable and, in no event may I continue to work as a Lower Merion Township employee after my Resignation Date.

I further understand that my participation in the Act 44 DRO program shall be governed by and subject to the following:

1. As of my Act 44 DRO Date, I will no longer make any pension contributions to the Township’s pension fund.

2. As of my Act 44 DRO Date, the calculation of my pension benefit shall freeze and no service rendered or compensation received after my Act 44 DRO Date will be considered for pension calculation purposes. I will be eligible for automatic cost-of-living increases as implemented by the pension plan for its retirees.

3. I understand that my participation in the Act 44 DRO program in no way diminishes Lower Merion Township’s right to suspend or terminate me or in the event that I become physically or mentally incapable of performing my full duties as a Township employee prior to reaching my Resignation Date.

4. Any pension payments to which I become entitled to receive prior to my Resignation Date shall accrue in a separate ledger account (my “Act 44 DRO Account”) to which I shall not have access while I am still employed by Lower Merion Township. I also understand that no interest or investment return of any type will accrue within my Act 44 DRO Account.
5. My participation in the Act 44 DRO program shall be subject to all other conditions and terms of the program as set forth in the current plan document and the Collective Bargaining Agreement.

6. In order for this election to be effective, this document must be notarized.

7. I understand that I must obtain my own professional legal and/or tax advice to determine and to analyze the propriety and impact of my desired disposition of the Act 44 DRO Account balance under state, federal and local tax laws. I further understand that the Township assumes no responsibility in this regard whatsoever, and I agree to hold the Township harmless for any tax or other financial consequences.

8. I understand that if I die before my Resignation Date, my designated beneficiary will receive my Act 44 DRO Account. My completed Beneficiary Designation form is attached.

Intending to be legally bound, I have signed this document below.

____________________________________
Name (Please Print)

____________________________________
Signature

____________________________________
Date

Subscribed before me this _____ day of ________________, 20____.

____________________________________
(Notary)

________
Initials

Acknowledgment by Lower Merion Township

____________________________________
Township Manager Signature

____________________________________
Date
Beneficiary Designation Form

Name of Participant ___________________________ Date ___________________________

Your designated primary and contingent beneficiary(ies) may be a person(s), estate, trust, or organization. If a trust is named, legal documentation must be submitted with this form. For each beneficiary, check whether you wish to make that person or entity a primary or contingent beneficiary. When naming a person, always show given names. For example: Mary K. Doe (not Mrs. Robert Doe). You may designate more than one beneficiary. If you do, the funds will be divided equally among all named beneficiaries unless otherwise specified or required by law. Your primary beneficiary(ies) will receive any monies in your account at the time of your death. If your primary beneficiary(ies) is(are) unable to accept the distribution, your contingent beneficiary(ies) will receive the distribution.

I request that in the event of my death while a member of the Act 44 DRO program, my benefits are to be paid to the person or persons indicated below:

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<th>Beneficiary</th>
<th>Social Security #</th>
<th>Address</th>
<th>Date of Birth</th>
<th>Relationship</th>
<th>Primary</th>
<th>Contingent</th>
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<tbody>
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<table>
<thead>
<tr>
<th>Participant Signature</th>
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<table>
<thead>
<tr>
<th>Township Manager Signature</th>
<th>Date</th>
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