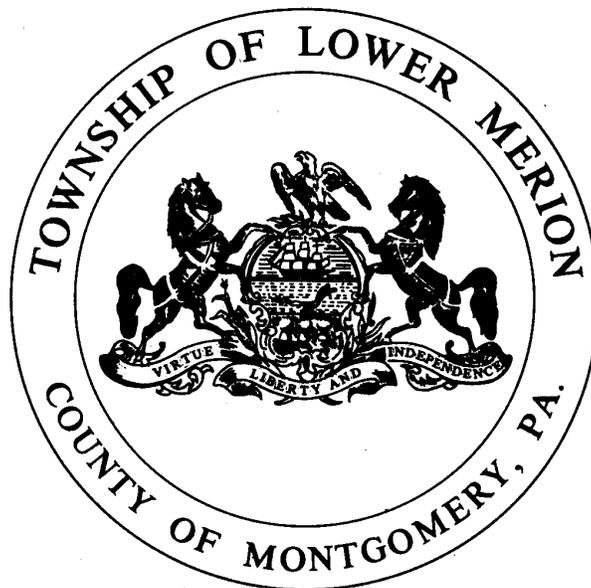


**2010 - 2012
Agreement Between
The Township of Lower Merion
and
The Lower Merion Fraternal Order of Police
Lodge #28**



Agreement reached: **October 6, 2009**
Document finalized: **January 21, 2011**

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AGREEMENT

THIS AGREEMENT made this 21st day of January, 2011, 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, 2010 through December 31, 2012:

**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, 2010 through December 31, 2012.

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, 2010, the annual base wage of all Officers covered by the Agreement shall be increased by 3.75%.
- B. Beginning January 1, 2011, the annual base wage of all Officers covered by the Agreement shall be increased by 3.75%.
- C. Beginning January 1, 2012, the annual base wage of all Officers covered by the Agreement shall be increased by 3.75%.

Attached as Appendix "A" is the Base Wage Schedule for 2010 - 2012, which reflects the annual, bi-weekly and hourly rates for each calendar year of this Agreement. Base wage increases are computed using an Officer's annual base wage. Thus, when the number of work hours fluctuates from year to year (can be 2,080 or 2,088 or 2,096 work hours per year), the hourly rates will not reflect the annual base wage percentage increases shown above. The example shown on Appendix "A" is intended to illustrate the formula for computing annual base wage increases.

2.3 Promotions:

When an Officer is promoted to a higher paying position, the effective date shall be at the beginning of a pay period as follows: When an Officer's anniversary date falls within the first seven days of a fourteen-day pay period, the promotion and associated pay increase will be effective the beginning of that pay period. When an Officer's anniversary date falls within the last seven days of a fourteen-day pay period, the promotion and associated pay increase will be effective the beginning of the next pay period.

**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.

After the following # of Years' Service	3	5	10	15	20	25
Grade "D" Officer	3.6%	4.4%	5.7%	6.7%	7.7%	8.7%
Grade "C" Officer	3.6%	4.4%	5.7%	6.7%	7.7%	8.7%
Grade "B" Officer	3.6%	4.4%	5.7%	6.7%	7.7%	8.7%
Grade "A" Officer	3.5%	4.3%	5.7%	6.7%	7.7%	8.7%
Senior Officer	3.5%	4.3%	5.7%	6.7%	7.7%	8.7%
Probationary Sgt.	3.5%	4.2%	5.7%	6.7%	7.7%	8.7%
Sergeant	3.4%	4.1%	5.7%	6.7%	7.7%	8.7%

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% 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.
- 4.2 Beginning January 1, 2012 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 workweek 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 workweek, 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.
- B. DO-40 time shall be taken according to the monthly schedule in the same manner that Holiday's 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 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 Delegates Leave Time:

- A. Paid excused time will be granted to those Officers who serve as delegates for the FOP. For the State FOP Summer/Winter Board Meetings up to a total of thirty-six (36) paid hours may be granted for Officers working 12-hour shifts and up to a total of twenty-four (24) hours for Officers working 8-hour shifts. For the National FOP Board Meetings up to total of forty-eight (48) paid hours may be granted for Officers working 12-hour shifts and up to a total of forty (40) hours for Officers working 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 FOP delegates permitted by the national formula. The Township will not be responsible for any expenses incurred by the Officers during Delegation 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 FOP functions arise that mutually benefit both the FOP and the Township, the President of the FOP 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 FOP Board or the National FOP 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 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 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

ARTICLE 5
HOURS OF WORK
(CONTINUED)

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 the assigned shift. Time off on certain holidays will be as follows: Christmas, both shifts; Thanksgiving, both shifts and New Years 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:

Years of Service	Number of Days (Weeks)	Converted to Hours 8-Hour Shift Schedule	Converted to Hours 12-Hour Shift Schedule
After one (1) year of service	10 days (2 weeks)	80	84
After five (5) years of service	15 days (3 weeks)	120	126
After eleven (11) years of service	20 days (4 weeks)	160	168
After nineteen (19) years of service	25 days (5 weeks)	200	210
After eighteen (18) years of service for Sergeants and Probationary Sergeants	25 days (5 weeks)	200	210

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 a 8-hour shift schedule and a 12-hour shift schedule will result in a pro-portion 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

**ARTICLE 6
VACATIONS
(CONTINUED)**

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.

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:

Employee resigns in January:	10%
Employee resigns in February:	20%
Employee resigns in March:	30%
Employee resigns in April:	40%
Employee resigns in May:	50%
Employee resigns in June:	60%
Employee resigns in July:	70%
Employee resigns in August:	80%
Employee resigns in September:	90%
Employee resigns in October-December:	100%

Officers who retire will be entitled to take paid vacation provided for in Section 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 nine (9) days (72 hours) of paid designated holidays per year as follows:

1. New Year's Day
2. President's Day
3. Good Friday
4. Easter Sunday
5. Memorial Day
6. Independence Day
7. Labor Day
8. Thanksgiving Day
9. 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 nine (9) days, (72 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.

**ARTICLE 7
HOLIDAYS
(CONTINUED)**

- 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:
- | | |
|--------------------------------|-----------|
| One year to five years service | 240 hours |
| Over five years service | 480 hours |
- 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 one consecutive work day 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 for the full calendar year of 2010, and/or each respective year of the term of the Agreement, 2011 and/or 2012.
- 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 for the full calendar year of 2010, and/or each respective year of the term of the Agreement, 2011 and/or 2012.
- C. This benefit shall first be available in 2010 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 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 14.5 of the Fraternal Order of Police (FOP) 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 Section 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 14.5 of the Fraternal Order of Police (FOP) 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 (NSCD/LTD)**

- 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 Long Term Disability (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 LTD consideration during his/her 180 calendar day waiting period through the Department of Human Resources. Any donated PA hours pursuant to Article 8.10 (C) 4 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 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 Non-Service-Connected Disability 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 12-hour shift schedule, a "day" of bereavement shall be one 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 12-hour shift schedule, a "day" of bereavement shall be one 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 12-hour shift schedule, a "day" of bereavement shall be one 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. 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 the Point of Service (POS) Plans.
- B. All Officers hired between September 13, 2004 and December 31, 2009, shall only be eligible to enroll in the HMO \$2 or \$10 or Point of Service (POS) Plans.
- C. All Officers hired on or after January 1, 2010, shall only be eligible to enroll in the Health Maintenance Organization (HMO) \$10 Plan or the POS Plan.
- D. All Officers shall be eligible to enroll in the Township's dental, prescription, and vision plans.

12.1 Cost Sharing:

- A. All Officers enrolled in the Township's PPO and HMO \$2 medical plan shall contribute six percent (6%) of the total annual premium for core medical coverage, prescription, dental, and vision benefits for him/herself, spouse, and/or dependents.
- B. All Officers enrolled in the Township's HMO \$10 medical plan shall contribute four percent (4%) of the total annual premium for core medical coverage, prescription, dental, and vision benefits for him/herself, spouse, and/or dependents.
- C. All Officers enrolled in the Township's POS medical plan shall contribute three percent (3%) of the total annual premium for core medical coverage, prescription, dental, and vision benefits for him/herself, spouse, and/or dependents.
- D. Contributions for all Officers enrolled in the Township's medical plans shall be the respective 6%, 4%, or 3% of the medical plans' current annual premium, depending on the medical plan selected, except that there shall be a ten percent (10%) rolling cap on the Officer's contribution using the 2009 base year contribution for each respective medical plan. Therefore, the Officer's

ARTICLE 12
INSURANCE FOR ACTIVE OFFICERS
(CONTINUED)

contribution for his/her elected medical plan in 2010 will be no more than 10% greater than the contribution for that respective medical plan in 2009. The Officer's contribution for his/her elected medical plan in 2011 will be no more than 20% greater than the contribution for that respective medical plan in 2009. The Officer's contribution for his/her elected medical plan in 2012 will be no more than 30% greater than the contribution for that respective medical plan in 2009.

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 Diagnostic and Preventive, Basic Restorative, Endodontis, Repairs, Prosthetics (bridges and dentures), Periodontics, and Orthodontics with family coverage. The Orthodontics rider shall be \$1,800 maximum lifetime payment per dependent.

12.5 Vision Care:

The Township shall provide all Officers with a Vision Care Plan with family coverage. If the Township's carrier changes during the term of this Agreement, coverage will remain substantially the same.

The Township will provide vision exams, lenses and frames once every twenty-four (24) months, frame coverage of \$60. Lens coverage will include solid or gradient lens tints, ultra violet (UV) protective coating and premium two (2) year scratch protection, or contact lens coverage to \$200.

12.6 Prescription Plan:

A. Prescription at Retail:

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: \$7 for generic drugs, \$14 for brand drugs that are listed on the formulary (preferred) list with no equivalent generic drug available, and \$20 for brand drugs that are not on the formulary (non-formulary/non-preferred) list.

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.

ARTICLE 12
INSURANCE FOR ACTIVE OFFICERS
(CONTINUED)

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:

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: \$14 for generic drugs, \$28 for brand drugs that are listed on the formulary (preferred) list with no equivalent generic drug available, and \$40 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 only through the Mail Order Program.

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.; 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.

ARTICLE 12
INSURANCE FOR ACTIVE OFFICERS
(CONTINUED)

12.7 Life Insurance:

Life insurance in the sum of Seventy-five Thousand Dollars (\$75,000) 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 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.

12.8 Wellness Programs:

Officers will be required to participate in mandatory wellness programs that would 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:

A. 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 Officer's spouse or through other means. An Officer who declines Township-provided medical coverage and/or extended health benefits (vision, dental, prescription) shall receive 50% of the Township's share of the actual premium cost savings of the least expensive medical plan and/or extended benefits that he/she is offered. Such monthly amount will be paid in the first pay check of the following month. 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. Reimbursements are as follows:

1. For Officers hired prior to September 13, 2004, the reimbursement will be a "blended average" in accordance with the premiums of the PPO, POS and HMO \$2 and \$10 Plans.
2. For Officers hired between September 13, 2004 and December 31, 2009, the reimbursement will be a "blended average" in accordance with the premiums of the POS, HMO \$2 and \$10 Plans.
3. For Officers hired on or after January 1, 2010, the reimbursement will be a "blended average" in accordance with the premiums of the POS and HMO \$10 Plans.

ARTICLE 12
INSURANCE FOR ACTIVE OFFICERS
(CONTINUED)

- B. 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.
- C. In order to opt-out of health care benefits, an Officer must sign a waiver and show proof of core coverage elsewhere.
- D. An Officer who opts out of medical benefits will be eligible to reenroll during the annual open enrollment period, or to reenroll 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.
- E. Reentry into extended benefit plans will require a waiting period.
- F. An Officer who receives only extended benefits shall contribute at the six percent (6%) rate, with the ten percent (10%) rolling cap concept.
- G. 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.

12.10 Section 125 Plan/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 changes to twice (two times) per calendar year unless federal law is more restrictive.

12.11 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

ARTICLE 12
INSURANCE FOR ACTIVE OFFICERS
(CONTINUED)

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. For example, an employee or retiree cannot enroll in PPO if his/her spouse is enrolled in the HMO plan. 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. 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.
- D. 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, prescription and vision.
- E. Regarding the four preceding paragraphs, the term "retiree" applies only to bargaining unit members who retire on or after September 13, 2004.

12.12 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.

ARTICLE 12
INSURANCE FOR ACTIVE OFFICERS
(CONTINUED)

- 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.

12.13 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 medical, dental, prescription and vision coverages for the spouse and/or dependents, if they are not eligible for the 12.12 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 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, 2010.

13.3 Retiree Health Insurance:

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

1. "Medical Plan" - The Township shall provide a Retiree HMO medical plan(s) for husband/wife coverage.
2. "Prescription Plan" – The Township shall provide husband/wife prescription coverage as outlined below in Section B.
3. "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.
4. "Retired Officer" - An Officer who retires on or after January 1, 2010.
5. "Spouse" - The husband or wife of an Officer who was married to the Officer at the time of his/her retirement.

B. Retiree Prescription Coverage

1. Prescription at Retail:

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)

2. Prescription thru Mail:

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.

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.; 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.

5. 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.

ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

- C. Officers hired between January 1, 2006 and December 31, 2009, upon reaching their age and service eligibility (which is currently age 50 with 25 years of service) or becoming totally disabled Officers, will be required to contribute the same as the then-active Officer healthcare contribution for their respective plan, 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 (employee only) or Husband/Wife (employee plus spouse).

Officers hired on or after January 1, 2010, upon reaching their age and service eligibility (which is currently age 50 with 25 years of service) or becoming totally disabled Officers, will be required to contribute six percent (6%) 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).

- 13.4 The Township shall provide the following medical insurance benefits to retired Officers and Officers receiving a service-connected total disability pension under the following terms and conditions. Spousal medical benefits will be provided as outlined:

- A. Retired Officer or Officer receiving a service-connected total disability pension: The Township shall pay the employee and spouse cost of the Township Retiree Basic Plan for Officers who attain normal retirement status of 25 years of service, age 50 (hereinafter “retired Officer”), or for an Officer receiving a service-connected total disability pension, and his/her spouse, including all increases, until he/she attains the age of 65 or becomes eligible for Medicare.
- B. The benefits referenced in this Article shall be secondary to any other hospital-medical-surgical-major medical or similar coverage to which the retired Officer or Officer receiving a service-connected total disability pension is entitled and will either not be provided, or, if provided, will be discontinued for any retired Officer and/or spouse or Officer receiving a service-connected total disability pension 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 or Officer receiving a service-connected total disability pension must keep the Township informed concerning his/her non-Township health insurance coverage.

- 13.5 Retired Officer:

An Officer retired for age/service or total service-connected disability shall receive the Township Retiree Medical and/or Prescription Plan paid for by the Township 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:

ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

- 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 payments into the HRA on a monthly basis, starting with the month in which the retired Officer becomes eligible for Medicare. This is a monthly payment of \$360, as adjusted 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 payments shall be made on the first Friday of the month following the month for which an HRA payment is required.
 2. Effective January 1, 2011 the amount of the monthly payment shall be adjusted on an annual calendar basis in accordance with the CPI for the Philadelphia region, up to a maximum of 5% 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 month period ending in August and published in September preceding the January 1st effective date of the adjustment.
 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 payment 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 that 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.

ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

13.6 Spouse:

The term spouse shall refer only to the spouse of the retired Officer at the time of the Officer's retirement. The spouse of an Officer retired for age/service or total service-connected disability shall receive the Township Retiree Medical and/or 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 of \$360 subject to the same terms and conditions, including adjustment for CPI described above for retired Officers.
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 which elapses four (4) years from the date the retired Officer reaches age 65. All HRA deposits shall be made on the first Friday of the month following the month for which an HRA deposit is required.

**ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)**

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 of \$360 subject to the same terms and conditions, including adjustment for CPI, described above for retired Officers.
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 4 years from the date the retired Officer reaches age 65. All HRA deposits shall be made on the first Friday of the month following the month for which an HRA deposit is required.

13.7 Extended Coverage

A. Retired Officer:

1. Any Officer retired for age/service, or total service-connected disability, 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.

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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 for age/service or total service-connected disability, will be permitted to purchase for him or herself (meaning the retired Officer's spouse) or dependents, the prescription, 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.

ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

- 13.10 The Retired Officer/spouse or Officer receiving a service-connected disability pension and spouse shall also have the option of obtaining Retiree Medical and/or Prescription Plan coverages and/or Dental and/or Vision Plans of his/her choice for his/her dependent children or spouse whom he/she married after retirement by paying additional costs thereof.
- 13.11 Medical benefits described under this Article apply only to Officers who retire after reaching age 50 and 25 years of service or have been granted and are receiving a service-connected total disability pension. Said medical benefits will not apply for Officers on non-service-connected total disability or any other form of employment separation.
- 13.12 Pursuant to Section 14.4(B), a retired Officer with twenty (20) years of continuous service, regardless of age, shall not receive retiree health care benefits until the retired Officer reaches his/her age and service Normal Retirement Date, upon which he/she shall be eligible for the retiree medical benefits that were in effect at the time of his/her retirement. Upon reaching Normal Retirement Date, if the Officer elects to receive retiree medical and/or 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.
- 13.13 The spouse of a retired Officer with twenty (20) years of continuous service, regardless of age, shall not receive retiree spousal health care benefits until the retired Officer reaches the Officer's age and service Normal Retirement Date, upon which the spouse shall be eligible for the retiree spousal medical benefits that were in effect at the time of the Officer's retirement. Upon the Officer's reaching Normal Retirement Date, if the spouse elects to receive retiree spousal medical and/or 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.
- 13.14 Life Insurance:
- Retired Officers who retire after reaching age 50 and 25 years, or who early retire 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.
- 13.15 Opt-Out and Healthcare Reimbursement Account (HRA):
- A. A retired Officer, Officer receiving a service-connected total disability pension, or spouse of a retired Officer or Officer receiving a service-connected total disability pension can choose to opt-out of the Township's group medical healthcare, or Prescription, or both medical and prescription coverages 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).

ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

- 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 or Officer receiving a service-connected total disability are not permitted. HRAs reimburse medical expenses defined in Internal Revenue Code (IRC) Section 213(d) as “medically necessary” including co-pays, deductibles, office visits, vision care expenses, prescriptions and dental expenses. HRAs can also be used 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 medical only or prescription only or both medical and prescription. 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 (medical only, prescription only, or no coverage).
- 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 and 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.
- E. The following are the contribution rates for the retiree should the retiree opt-out of single coverage or husband and wife coverage and the monthly payments into the HRA as follows:

Option 1: Medical Only Opt-Out

Single: \$155.13/month. Effective January 1, 2011, an annual CPI increase to a maximum of 5% will be applied annually.

Husband/wife: \$365.67/month. Effective January 1, 2011, an annual CPI increase to a maximum of 5% will be applied annually.

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INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

Option 2: Prescription Only Opt-Out

Single: \$44.32/month. Effective January 1, 2011, an annual CPI increase to a maximum of 5% will be applied annually.

Husband/wife: \$110.81/month. Effective January 1, 2011, an annual CPI increase to a maximum of 5% will be applied annually.

Option 3: Medical and Prescription Opt-Out

Single: \$199.46/month. Effective January 1, 2011, an annual CPI increase to a maximum of 5% will be applied annually.

Husband/wife: \$476.48/month. Effective January 1, 2011, an annual CPI increase to a maximum of 5% will be applied annually.

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. The Retired Officer/spouse or Officer receiving a service-connected disability pension and spouse who opt-out of the Retiree Medical, and/or Prescription Plan coverages shall also have the option of obtaining Retiree Medical and/or Prescription Plan coverages and/or Dental and/or Vision Plans of his/her choice 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

ARTICLE 13
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(CONTINUED)

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.

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 "Coverage Period" below).
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 "Coverage Period" below).

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INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

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 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 "Opt-in/Opt-out" below)
 - the Retiree's 65th birthday
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, 2006 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 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

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INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

shall have no further healthcare benefit obligation with regard to the spouse. If the spouse becomes Medicare eligible during the four 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, a monthly payment of \$360 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 4 years from the date the retired Officer reaches age 65. The final HRA payment will be prorated 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 Friday 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 provisions above, the spouse may decline single coverage and receive from the Township a payment into the HRA for each month in which the spouse declines the single coverage for which he/she was otherwise entitled. The monthly payments into the HRA due to the spouse's declining single coverage from the Township shall be calculated as follows:

Option 1: Medical Only Opt-Out

Single: \$155.13/month. Effective January 1, 2011, an annual CPI increase to a maximum of 5% will be applied annually.

Option 2: Prescription Only Opt-Out

Single: \$44.32/month. Effective January 1, 2011, an annual CPI increase to a maximum of 5% will be applied annually.

Option 3: Medical and Prescription Opt-Out

Single: \$199.46/month. Effective January 1, 2011, an annual CPI increase to a maximum of 5% will be applied annually.

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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 4 years from the date the retired Officer reaches age 65, whichever occurs first, the Township shall cease making payments into the HRA. 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 Friday 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. The Retired Officer/spouse or Officer receiving a service-connected disability pension and spouse who opt-out of the Retiree Medical, and/or Prescription Plan coverages shall also have the option of obtaining Retiree Medical and/or Prescription Plan coverages and/or Dental and/or Vision Plans of his/her choice 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.

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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 "Coverage Period" below).
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 "Coverage Period" Section G.1). 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 which are made three times per year. If a Convenience Card can no longer be offered, reimbursements from the HRA will be made three times a year: April 15th, August 15th, and December 15th. Reimbursements will generally be made in the indicated month for all eligible claims submitted with satisfactory documentation at least 30 days prior to the beginning of the month. However, the Retiree must submit all eligible documentation for reimbursement by March 31 of the year following the calendar year in which the expense was incurred. Late submitted claims will be rejected.

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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 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 (medical only, prescription only, or no Township 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's or the retiree's spouse election of Township group healthcare coverage (medical only, prescription only, or both) 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 reenroll during the annual open enrollment period, or to reenroll 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 21st of the year following the calendar year in which the expense was incurred.

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(CONTINUED)

L. Third Party Administrator (TPA)

The Township will engage a third party administrator to maintain records of accounts and to make determinations on claims for reimbursement. The third party administrator 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.

13.16 Out-of-Area (OOA) Healthcare Benefits

- A. A retired Officer, Officer receiving a service-connected total disability pension or spouse of a retired Officer or Officer receiving a service-connected total disability that moves Out-of-Area (OOA) and who 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 of an Officer retired for age/service or total service-connected disability 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.

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(CONTINUED)

- 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 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 elects to return to the Lower Merion area, 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 "Basic Hospital and Medical Plan" is effective. .
- F. In the event the monthly cost of the Retiree or spouse's actual cost of monthly 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 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.

ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

- 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 “Medical Plan” – that is, core medical and/or prescription coverage. Insurance for dental or vision coverage is not eligible for reimbursement.
- 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.

Option 1: Medical Only

Single: \$361.66/ month

Husband/Wife: \$852.49/ month

Option 2: Prescription Only

Single: \$98.90/ month

Husband/Wife: \$247.25/ month

Option 3: Medical and Prescription

Single: \$460.65/ month

Husband/Wife: \$1,099.74/ month

ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

3. The amounts as outlined above shall increase in 2011 and 2012 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.
4. 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

As to the spouse of an Officer who retired on or after January 1, 2006 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 Healthcare 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 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 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 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, a monthly payment of \$360 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 4 years from the date the retired Officer reaches age 65. The final HRA payment will be prorated 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 4 years

ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

from the date the retired Officer reaches age 65. All HRA deposits shall be made on the first Friday 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 she was otherwise entitled. The monthly reimbursement from the Township shall be calculated as follows:

Option 1: Medical Only Opt-Out

Single: \$361.66/month. Effective January 1, 2011, an annual CPI increase to a maximum of 5% will be applied annually.

Option 2: Prescription Only Opt-Out

Single: \$98.90/month. Effective January 1, 2011, an annual CPI increase to a maximum of 5% will be applied annually.

Option 3: Medical and Prescription Opt-Out

Single: \$460.56/month. Effective January 1, 2011, an annual CPI increase to a maximum of 5% will be applied annually.

4. 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.

M. Reimbursement

Reimbursements for Out-of-Area Healthcare Insurance Coverage will be made three times per year: April 15th, August 15th and December 15th from the Township to the Retiree 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.

ARTICLE 13
INSURANCE FOR RETIRED AND TOTALLY DISABLED OFFICERS
(CONTINUED)

N. Coverage Period

This Out-of-Area Healthcare Insurance Reimbursement Benefit will remain in effect until an eligible Retiree attains age 65 or dies.

O. Further Information

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

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 to January 1, 2010.

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.

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 (final monthly average salary). The compensation to be used in determining the monthly final average salary shall be the same compensation used by the Social Security Administration in its computation of the Medicare portion of the Social Security tax. Monthly final average salary shall include all payments which a member contributes to a Section 125 plan and/or a 457 plan by payroll deduction.
- B. 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.
- C. 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.
- D. There shall be zero percent (0%) Social Security Offset for Officers who retire under the terms of this Agreement.

14.4 Vesting/Early Retirement:

- A. 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

ARTICLE 14
PENSION
(CONTINUED)

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.

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

14.5 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.
- 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

ARTICLE 14
PENSION
(CONTINUED)

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.

14.6 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 14.5.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 14.5.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" as defined in Article 14.5 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.

ARTICLE 14
PENSION
(CONTINUED)

- 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.

14.7 Employee Contributions:

- A. The Officer contributions to the Municipal Police Pension Fund will be 1.9% for 2010 and a maximum of 2.0% for 2011 and 2012. For 2013 and beyond, unless otherwise agreed by the Township and the FOP, 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 2.0% - Officers will contribute; between 2.0% and 3.0% - Township will contribute; between 3.0% and 4.0% - Officers will contribute; between 4.0% and 5.0% - Township will contribute; between 5.0% and 6.0% - Officers will contribute; between 6.0% and 7.0% - Township will contribute; between 7.0% and 8.0% - Officers will contribute; anything over 8.0% - 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.

14.8 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.

ARTICLE 14
PENSION
(CONTINUED)

14.9 Survivor Benefits:

A. Age and Service Survivor Benefit:

Upon the death of an Officer who is on pension or who is currently eligible for 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 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; stepchild(ren) are 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 (KIS)

1. For Officers hired prior to October 9, 2009:

- a. An Officer shall be considered as having been killed in service if the Officer's death occurs as a direct result of injuries that are sustained by the Officer while performing the duties of a Police Officer and are caused by the performance of those duties, or eligibility for such pension benefits is otherwise determined by a court of competent jurisdiction involving the Lower Merion Police Officer. The fact that death may be compensable under a worker's compensation, occupational disease or other similar act or law does not establish that the member was killed in service. There are four (4) exclusions: war, suicide, committing a crime and illegal drug use.
- b. In the case of an Officer who is killed in service, 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 child(ren) of such Officer. A child of the deceased Officer shall be defined as 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; stepchild(ren) are 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

ARTICLE 14
PENSION
(CONTINUED)

of seven credit hours per semester, until they reach age 23. Such monthly benefit shall be equal to one-hundred percent (100%) of the deceased Officer's final average monthly salary.

2. For Officers Hired On or After October 9, 2009:

Effective with respect to deaths occurring on or after October 9, 2009, the killed-in-service death benefit shall no longer be payable under the Township's police pension plan or by the Township. Instead KIS benefits will be provided by the Commonwealth of PA pursuant to Act 51 of 2009.

C. Early Retirement Survivor Benefit:

1. If an active Officer with more than twenty (20) years of service but less than normal retirement age and service (age fifty (50) and twenty-five (25) years of service) dies, such Survivors Benefit shall be equal to fifty percent (50%) of the deceased Officer's monthly pension benefit entitlement at the date of death.
2. If an early retired Officer with more than twenty (20) years of service but less than normal retirement age and service (age fifty (50) and twenty-five (25) years of service) dies, 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.

14.10 Service Increment:

- A. In addition to any other monthly pension or retirement allowances, the police pension fund will pay length of service increments for service in excess of twenty-five (25) years, not to exceed one hundred dollars (\$100) per month.

**ARTICLE 14
PENSION
(CONTINUED)**

- B. The length of service increment shall be five dollars (\$5) additional monthly pension benefit for each additional month an Officer works beyond his/her twenty-fifth (25th) year of service anniversary, not to exceed an additional one hundred dollars (\$100) per month in additional pension benefits.
- C. For computation purposes, a month shall consist of the 28, 29, 30 or 31 day period immediately following the Officer's twenty-fifth (25th) anniversary date and then each 28, 29, 30 or 31 day period thereafter until he/she reaches the maximum allowable additional monthly pension benefit.

14.11 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 allowance 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 Allowance:

1. The first cost-of-living increase for a retired Officer shall be prorated for the portion of the first calendar year of retirement.
2. No cost-of-living allowance may increase an Officer's Retirement benefit by an amount that would exceed thirty percent (30%) of the Officer's original benefit.
3. The cost-of-living increase 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 allowance 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 allowance 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:

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.

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.

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.

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)

- A. 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.
- B. The arbitration shall be conducted before a single arbitrator;
- C. 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;
- D. 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.
- E. 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.
- F. 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.
- G. 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 \$800 per calendar year. The amount of the reimbursement shall be reduced by any reimbursement by any agency.

Effective January 1, 2012, 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. Effective January 1, 2010, the cleaning allowance provided will be \$750; effective January 1, 2011, the cleaning allowance provided will be \$800; effective January 1, 2012, the cleaning allowance provided will be \$850.
- B. The uniform cleaning allowance will be paid 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. 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.
- F. 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.

The above mentioned prorations will be calculated by taking the number of calendar days the Officer is not actively at work divided by the number of days in the calendar year (365) which equals the percentage of the year the Officer is actively at work (or conversely not actively at work). This is multiplied by the full amount of the uniform allowance payment to give the total prorated amount.

- G. 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

**ARTICLE 17
UNIFORMS
(CONTINUED)**

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.

- H. The proration will be calculated by taking the number of hours the Officer is not actively at work divided by the number of hours in the calendar year which equals the percentage of the year the Officer is actively at work (or conversely not actively at work). This is multiplied by the full amount of the uniform allowance payment to give the total prorated amount.

17.2 Clothing Allowance:

- A. The detective's clothing allowance provided will be \$850.
- B. For Officers assigned to the Special Investigations Unit (S.I.U.), such sum shall be \$250 per year.
- C. 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.

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 State 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 a list of five (5) law firms which shall be mutually selected and agreed upon by the FOP and the Township. Said law firm selection process may be updated no more than once per year by mutual agreement of the parties.

The current list of five (5) law firms is:

1. Gallagher, Schoenfeld, Surkin Chupein & DeMis
25 West Second Street
Media, PA 19063
2. Steven J. Margolin & Associates
1717 Spring Garden Street
Philadelphia, PA 19130
3. Vangrossi & Recchuiti
319 Swede Street
Norristown, PA 19401-4801
4. Gary Lightman
2705 North Front Street
Harrisburg, PA 17108-0911
5. Kolansky & Strauss P.C.
Suite 1300
1429 Walnut Street
Philadelphia, PA 19102

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 quarterly period, 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 Committees or Grievance Committees, 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 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. Officers may also be reimbursed for the cost of incidentals; no receipts required.

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, one hundred twenty (120) hour 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

ARTICLE 22
MISCELLANEOUS
(CONTINUED)

workday, said Officer must report to 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, September 13, 2004, 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 60 calendar days of the submission of the Officer's completed H&L Forms, then upon the 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 14.5 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

ARTICLE 23
PROCEDURE FOR HEART AND LUNG ACT AND DISABILITY CLAIMS
(CONTINUED)

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 a 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 14.5.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

ARTICLE 23
PROCEDURE FOR HEART AND LUNG ACT AND DISABILITY CLAIMS
(CONTINUED)

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 14.5.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 14.5 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. An Officer assigned to APD must make every reasonable best effort to attend any medical, rehabilitation or diagnostic treatment or other medical services related to the injury or illness during non-scheduled work hours. 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 this 21st day of January, 2011.

TOWNSHIP OF LOWER MERION
("Township")

By: _____
TOWNSHIP MANAGER

By: _____
PRESIDENT OF BOARD OF
COMMISSIONERS

TOWNSHIP OF LOWER MERION
FRATERNAL ORDER OF POLICE,
LODGE NO. 28 ("Police")

By: _____

By: _____

By: _____

By: _____

By: _____

FOP 2010-2012 BASE WAGE SCHEDULE

		1-Jan-10	1-Jan-11	1-Jan-12
<i>GRADE "D" POLICE OFFICER</i>	Hourly	28,313	29,488	30,477
	Bi-Weekly	2,265	2,359	2,438
	Annual	59,118	61,335	63,636
<i>GRADE "C" POLICE OFFICER</i>	Hourly	30,280	31,536	32,593
	Bi-Weekly	2,422	2,523	2,607
	Annual	63,225	65,595	68,054
<i>GRADE "B" POLICE OFFICER</i>	Hourly	32,063	33,393	34,512
	Bi-Weekly	2,565	2,671	2,761
	Annual	66,948	69,457	72,061
<i>GRADE "A" POLICE OFFICER</i>	Hourly	33,845	35,249	36,431
	Bi-Weekly	2,708	2,820	2,914
	Annual	70,668	73,318	76,068
<i>SENIOR POLICE OFFICER</i>	Hourly	35,829	37,316	38,567
	Bi-Weekly	2,866	2,985	3,085
	Annual	74,811	77,617	80,528
<i>PROBATIONARY POLICE SERGEANT</i>	Hourly	38,153	39,736	41,068
	Bi-Weekly	3,052	3,179	3,285
	Annual	79,663	82,651	85,750
<i>POLICE SERGEANT</i>	Hourly	40,636	42,322	43,741
	Bi-Weekly	3,251	3,386	3,499
	Annual	84,848	88,030	91,331

2010 contains 2,088 Hours 2011 contains 2,080 Hours 2012 contains 2,088 Hours
