

**CHELTENHAM TOWNSHIP  
MONTGOMERY COUNTY, PENNSYLVANIA**

**ORDINANCE NO. 2391-19**

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**AN ORDINANCE OF THE BOARD OF COMMISSIONERS OF  
CHELTENHAM TOWNSHIP, MONTGOMERY COUNTY,  
PENNSYLVANIA, AMENDING THE PENSION PLAN FOR THE  
SALARIED EMPLOYEES OF CHELTENHAM TOWNSHIP,  
CHAPTER 40, PENSIONS, ARTICLE III, SALARIED  
EMPLOYEES, §40-20 DEFINITIONS AND §40-24 RETIREMENT  
BENEFITS, TO ELIMINATE THE REQUIREMENT FOR  
CONSECUTIVE MONTHS FOR THE CALCULATION OF  
AVERAGE EARNINGS TO BE COUNTED TOWARDS PENSION  
BENEFITS**

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**SECTION I:** the Township of Cheltenham, Montgomery County (“Employer”), has previously established the Cheltenham Township Salaried Employees Pension Plan (“Plan”); and

**SECTION II:** as the result of a collective bargaining agreement dated May 14, 2015, with the Cheltenham Township Salaried Association Employees Union (the “Union”), the Employer has discovered a need to amend the Salaried Employees Pension Plan Ordinance.

**SECTION III:** the purpose and intent of this Ordinance is to correct the wording of the agreed upon amendments to the Collective Bargaining Agreement between the Township and the Cheltenham Township Employees Union and approved by the Cheltenham Township Board of Commissioners on May 21, 2015, said amendments are to be ordained in compliance with Act 205 and are as follows for all salaried employees:

**SECTION IV:** The Board of Commissioners of the Township of Cheltenham does hereby enact and ordain the following revisions to the sections to read (~~strikethrough~~ language to be removed and underlined language is to be added):

(1) §40-20.A. Definitions. Average Monthly Earnings (“AME”). An employee’s monthly salary or wage paid or accrued as recorded by the employer to the Internal Revenue Service for income tax purposes, including ~~any deferred compensation-longevity~~, averaged over the last three (3) years (36 ~~consecutive~~ months) of the employee’s earnings. For Salaried employees hired after December 31, 2016, the calculation shall be based strictly on the last 36 months of earned wages.

(2) §40-24.A. Normal retirement benefit. The monthly amount of normal retirement benefit payable to an employee retiring on his normal retirement date shall be an amount equal to 2% of average monthly earnings for the last 36 ~~consecutive~~ months of the employee’s earnings multiplied by the number of years credited service. For employees hired after December 31, 2014, the Township Pension Plan shall provide a benefit of 1½ times years of service times the average pay in the last 36 ~~consecutive~~ months of the employee’s earnings. The Pension shall be capped at 100% of average salary.

**SECTION V: Severability**

The provisions of this Ordinance are intended to be severable, and if any section, sentence, clause, part or provision hereof shall be held illegal, invalid or unconstitutional by any court of competent jurisdiction, such decision of the court shall not affect or impair the remaining sections, sentences, clauses, parts or provisions of this Ordinance. It is hereby declared to be the intent of the Board that this Ordinance would have been adopted even if such illegal, invalid or unconstitutional section, sentence, clause, part or provision had not been included herein.

**SECTION VI: Failure to Enforce not a Waiver**

The failure of the Township to enforce any provision of this Ordinance shall not constitute a waiver by the Township of its rights of future enforcement hereunder.

**SECTION VII: Effective Date**

This Ordinance shall take effect and be in force from and after its approval as permitted by law.

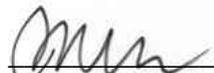
**SECTION VIII: Repealer**

All other ordinances and resolutions or parts thereof insofar as they are inconsistent with this Ordinance are hereby repealed.

**ENACTED** into an Ordinance this **21<sup>st</sup>** day of **August, 2019**.

**ATTEST:**

**TOWNSHIP OF CHELTENHAM  
BOARD OF COMMISSIONERS**

  
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**Bryan T. Havir**  
*Township Manager and Secretary*

By:   
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**Daniel B. Norris, President**