

# AN AGREEMENT REGARDING PENSION BENEFITS

BETWEEN THE CITY OF MILFORD

AND

MILFORD SCHOOL CAFETERIA WORKERS UNION,  
HERE, LOCAL 217, AFL-CIO

## **SECTION I - PENSION PLAN**

All of the provisions of the Charter of the City of Milford, as amended, in effect on the date this Agreement is executed, and all Special Acts and Amendments thereto in effect on said date, concerning or relating to retirement benefits, job related disability retirement benefits, or non-job related disability retirement benefits for employees and retired employees of the School Cafeteria Workers Union, Local 217, HERE, AFL-CIO and/or concerning benefits for survivors of such employees or retired employees, or concerning all other pension or survivor benefits or provisions covering such employees or retired employees or survivors of same, are incorporated in and made a part of this Agreement and shall be continued except as such provisions and benefits are amended herein.

## **SECTION II - VESTING**

In the event of termination of employment of an employee, except upon death, and if such employee has at least five (5) years of continuous service as an employee of the City at the time of such termination of employment, such employee may elect one of the following two alternative benefits by filing a written election with the Chairman of the Pension and Retirement Board within thirty (30) days of his termination of employment with the City:

Effective February 1, 2000, the vesting requirement for regular pensions that previously required ten (10) years of service shall be reduced to five (5) years of service. However, eligibility for retiree medical benefits provided through this Pension Agreement or through each Local's Collective Bargaining Agreement shall continue to be based on a requirement of ten (10) years of service, except and unless the Collective Bargaining Agreement changes the eligibility requirement after June 30, 2001.

- (a) Payment of an amount equal to a return of his contributions plus interest thereon compounded annually at an annual rate of five (5%) percent from January 1, 1981, and at an annual rate as presently established by the Pension and Retirement Board for periods prior to January 1, 1981; or
- (b) If he shall leave his contributions in the Retirement Fund, he shall be entitled upon attainment of the age of sixty (60) years, if he shall then be living, to one hundred (100%) percent of his accrued pension as determined on the date of his termination of employment with the City, so long as he has completed five (5) years of continuous service as an employee of the City of Milford. The date of his termination of

employment to be used in determining his continuous service and his average annual pay.

If any such terminated employee shall die prior to attainment of the age of sixty (60) years and there is no surviving spouse, the Retirement Board shall pay to the beneficiary named by him or to his legal representative if there is no living named beneficiary, an amount equal to his contributions plus interest thereon compounded annually at an annual rate of five (5%) percent from January 1, 1981, and at an annual rate as presently established by the Pension and Retirement Board for periods prior to January 1, 1981. If there is a surviving spouse, said spouse shall be eligible for survivor's benefits under Section VIII.

### **SECTION III - ELIGIBILITY FOR NORMAL RETIREMENT**

A. The terms of this Agreement shall apply to all employees in the bargaining unit represented by the Cafeteria Workers, Local 217, HERE, AFL-CIO. Any member of the Retirement System who has completed at least five (5) years of continuous service as an employee of the City of Milford and has attained the age of sixty (60) shall be eligible for normal retirement for super-annuation under the provisions of this Agreement.

B. Effective for all employees of the City of Milford who are employed by the City of Milford after July 1, 1984, the following provisions shall apply:

1. Effective February 1, 2000, any member of the Retirement System who has completed at least five (5) years of continuous service as an employee of the City of Milford and has attained the age of sixty (60) years shall be eligible for normal retirement for super-annuation under the provisions of this Agreement.

2. In addition, any member of the Retirement System who has completed at least thirty (30) years of continuous service as an employee of the City of Milford and has attained the age of fifty-five (55) years shall be eligible for normal retirement for super-annuation under the provisions of this Agreement.

C. Effective January 1, 1987, any member of the Retirement System who has any combination of continuous service as an employee of the City of Milford and age which when added together equals seventy-five (75) shall be eligible for normal retirement for super-annuation under the provisions of this Agreement.

D. Effective January 1, 1988, any member of the Retirement System who has any combination of continuous service as an employee of the City of Milford and age which when added together equals eighty-two (82) shall be eligible for normal retirement for super-annuation under the provisions of this Agreement.

E. Effective January 1, 1989, any member of the Retirement System who has any combination of continuous service as an employee of the City of Milford and age

which when added together equals eighty-one (81) shall be eligible for normal retirement for super-annuation under the provisions of this Agreement.

F. Effective January 1, 1990, any member of the Retirement System who has any combination of continuous service as an employee of the City of Milford and age which when added together equals eighty (80) shall be eligible for normal retirement for super-annuation under the provisions of this Agreement.

G. 1. Effective from April 1, 1993, to June 30, 1993, only, any member of the Retirement System who has any combination of continuous service as an employee of the City of Milford and age which when added together equals seventy-eight (78) shall be eligible for normal retirement for super-annuation under the provisions of this agreement.

2. For employees who retire between April 1, 1993, and June 30, 1993, only, the military service up to three (3) years described in Section VI, B (1-5) may be utilized to meet the retirement threshold "rule of seventy-eight (78)" as set forth more particularly in the preceding paragraph.

H. Effective July 1, 1996, any member of the Retirement System who has any combination of continuous service as an employee of the City of Milford and age which when added together equals seventy-nine (79) shall be eligible for normal retirement for super-annuation under the provisions of this agreement.

#### **SECTION IV - EARLY RETIREMENT**

An employee who has reached the age of fifty (50) and has completed at least five (5) years of continuous service as an employee of the City of Milford shall be eligible for retirement on the first day of any month following his fiftieth (50th) birthday. The date upon which the employee retires following said fiftieth (50th) birthday shall hereafter be referred to as "the early retirement date." Any employee retiring under the provisions of this section shall be paid benefits as of his early retirement date. Payment of benefits to such employee shall be based upon the employee's credited service as of his early retirement date and shall be paid in the same manner as if the employee was eligible for retirement pursuant to Section III hereof (hereafter "normal retirement") provided however, that such payment shall be reduced by four and one-half (4-1/2%) percent of such normal retirement pension for each year that the early retirement date precedes the date that the employee would be eligible for normal retirement, as defined in Section III above.

#### **SECTION V - BENEFIT FORMULA**

A. Normal Retirement: For all employees who retired on or after January 1, 1981, the following provisions shall apply: The Retirement Board shall pay to each member who has been retired for super-annuation under the Retirement System a pension for life in an amount determined as two (2%) percent of his average annual pay for the three (3) highest paid fiscal years preceding his retirement multiplied by the number of completed years of service. The Retirement Board shall pay to each member who has retired on disability under the Retirement System as set forth herein, a

pension during the continuance of such disability in an amount determined as two (2%) percent of his average annual pay for the three (3) highest paid fiscal years preceding his retirement multiplied by the number of completed years of service; provided, however, that if such disability is shown to the satisfaction of the Retirement Board to have been sustained during the performance of essential duties pertaining to his employment by the City, such pension shall not be less than sixty six and two thirds (66-2/3%) percent of the employee's salary at the time such disability commenced. In no event shall average annual pay include lump sum payments of accumulated sick leave. The above payment schedules shall only apply to employees who retire subsequent to January 1, 1981. Employees who retired prior to January 1, 1981, shall continue to be paid under previously established payment schedules.

B. Normal Retirement: For all employees who retire between April 1, 1993, and June 30, 1993 only, the following provisions shall apply: The Retirement Board shall pay to each member who has been retired for super-annuation under the Retirement System a pension for life in an amount determined as two and one-quarter (2.25%) percent of his average annual pay for the two (2) highest paid fiscal years or the previous twenty-four (24) months, whichever is higher, multiplied by the number of completed years of service. The Retirement Board shall pay to each member who has retired on disability under the Retirement System as set forth herein, a pension during the continuance of such disability in an amount determined as two and one-quarter (2.25%) percent of his average annual pay for the two (2) highest paid fiscal years or the previous twenty-four (24) months preceding his retirement, whichever is higher, multiplied by the number of completed years of service; provided, however, that if such disability is shown to the satisfaction of the Retirement Board to have been sustained during the performance of essential duties pertaining to his employment by the City, such pension shall not be less than sixty six and two thirds (66-2/3%) percent of the employee's salary at the time such disability commenced. In no event shall average annual pay include lump sum payments of accumulated sick leave. The calculation of benefits hereunder is expressly subject to the limitations as set forth in Section XIV. The above payment schedules apply only to employees who retire between April 1, 1993, to June 30, 1993. Employees who retired prior thereto shall continue to be paid under previously established payment schedules.

C. Normal Retirement: For all employees who retire on or after July 1, 1993, the following provisions shall apply: The Retirement Board shall pay to each member who has been retired for super-annuation under the Retirement System a pension for life in an amount determined as two (2%) percent of his average annual pay for the two (2) highest paid fiscal years or the previous twenty-four (24) months, whichever is higher, multiplied by the number of completed years of service. The Retirement Board shall pay to each member who has retired on disability under the Retirement System as set forth herein, a pension during the continuance of such disability in an amount determined as two (2%) percent of his average annual pay for the two (2) highest paid fiscal years or the previous twenty-four (24) months preceding his retirement, whichever is higher, multiplied by the number of completed years of service; provided, however, that if such disability is shown to the satisfaction of the Retirement Board to have been sustained during the performance of essential duties pertaining to his employment by the City, such pension shall not be less than sixty six and two thirds (66-2/3%) percent

of the employee's salary at the time such disability commenced. In no event shall average annual pay include lump sum payments of accumulated sick leave. The calculation of benefits hereunder is expressly subject to the limitations as set forth in Section XIV. The above payment schedules apply only to employees who retire on or after July 1, 1993. Employees who retired prior thereto shall continue to be paid under previously established payment schedules.

D. Normal Retirement: For all employees who retire on or after July 1, 1994, the following provisions shall apply: The Retirement Board shall pay to each member who has been retired for super-annuation under the Retirement System a pension for life in an amount determined as two and fifteen one hundredths (2.15%) percent of his average annual pay for the two (2) highest paid fiscal years or the previous twenty-four (24) months, whichever is higher, multiplied by the number of completed years of service. The Retirement Board shall pay to each member who has retired on disability under the Retirement System as set forth herein, a pension during the continuance of such disability in an amount determined as two and fifteen one hundredths (2.15%) percent of his average annual pay for the two (2) highest paid fiscal years or the previous twenty-four (24) months preceding his retirement, whichever is higher, multiplied by the number of completed years of service; provided, however, that if such disability is shown to the satisfaction of the Retirement Board to have been sustained during the performance of essential duties pertaining to his employment by the City, such pension shall not be less than sixty six and two thirds (66-2/3%) percent of the employee's salary at the time such disability commenced. In no event shall average annual pay include lump sum payments of accumulated sick leave. The calculation of benefits hereunder is expressly subject to the limitations as set forth in Section XIV. The above payment schedules apply only to employees who retire on or after July 1, 1994. Employees who retired prior thereto shall continue to be paid under previously established payment schedules.

E. Normal Retirement: For all employees who retire on or after July 1, 1995, the following provisions shall apply: The Retirement Board shall pay to each member who has been retired for super-annuation under the Retirement System a pension for life in an amount determined as two and one-quarter (2.25%) percent of his average annual pay for the two (2) highest paid fiscal years or the previous twenty-four (24) months, whichever is higher, multiplied by the number of completed years of service. The Retirement Board shall pay to each member who has retired on disability under the Retirement System as set forth herein, a pension during the continuance of such disability in an amount determined as two and one-quarter (2.25%) percent of his average annual pay for the two (2) highest paid fiscal years or the previous twenty-four (24) months preceding his retirement, whichever is higher, multiplied by the number of completed years of service; provided, however, that if such disability is shown to the satisfaction of the Retirement Board to have been sustained during the performance of essential duties pertaining to his employment by the City, such pension shall not be less than sixty six and two thirds (66-2/3%) percent of the employee's salary at the time such disability commenced. In no event shall average annual pay include lump sum payments of accumulated sick leave. The calculation of benefits hereunder is expressly subject to the limitations as set forth in Section XIV. The above payment schedules

apply only to employees who retire on or after July 1, 1995. Employees who retired prior thereto shall continue to be paid under previously established payment schedules.

F. Disability Retirement: Any member of the Retirement System who, after ten (10) years of continuous service as an employee of the City, shall be totally and permanently disabled, except as a result of his own willful misconduct, may be retired for disability according to the provisions of this section, provided proof of total disability shall be submitted to the Retirement Board, which shall cause examinations to be made by at least two (2) impartial medical examiners; and provided such total disability, if shown to the satisfaction of the Board to have been sustained during the performance of essential duties pertaining to his employment by the City, shall entitle such member to retirement for disability, irrespective of the duration of his employment at a pension that shall not be less than sixty six and two thirds (66-2/3%) of the employee's salary at the time such disability commenced.

G. Effective February 1, 2001, future disputes concerning an employee's eligibility for a service connected disability pension may be submitted to mediation before M. Jackson Webber, Esquire. Where Attorney Webber is not available, an alternate mediator may be selected by mutual agreement of the Union and the City. The mediator is empowered to recommend to the parties but may not impose a settlement of the disputed claim for a service connected disability pension. The Union and the City shall equally split the costs of the mediator and mediator selection. The parties agree that the mediation process will in no way diminish an employee's legal right to resolve disputed service related disability pension claims in court. All other requirements and language regarding service connected disability pensions shall remain unchanged.

## **SECTION VI - BUY-IN PROVISION**

A. An employee whose employment with the City is terminated for any reason followed by rehire or reinstatement to City employment in a budgeted position within three (3) years thereafter shall be eligible for participation in the Retirement System for the period prior to the employee's termination upon payment to the Retirement System of an amount equal to his contributions for the number of years of previous City employment, together with such amount as will establish the proper actuarial reserve for that portion of the pension represented by such contribution.

B. Any employee who has had prior active duty service with the United States Military shall be eligible to include said prior U. S. military service as service for the purposes of calculating the pensions herein provided that:

1. Contribution for said service will be based on the employee's starting annual salary when first employed by the City of Milford.
2. The election for including prior service in the United States Military cannot be elected until such time as the employee has five (5) years of service and/or becomes eligible for retirement as defined herein.

3. The employee shall have the right to buy-in no more than three (3) years of prior service in the U. S. Military.

4. The employee may take this election anytime prior to retiring or in the case of a disability pension the election can be made at the time the disability pension is granted.

5. The employee shall contribute an amount equal to the number of (or part of) years of service in the United States Military based on the current rates of contribution together with interest for each year from their date of employment to payout date. Said interest will be established each July 1 based on the current interest rate paid for thirty (30) day United States Treasurer Bills and will be compounded annually.

C. An employee of the City who is presently ineligible for participation in the retirement system for periods in which the employee held a part-time position or grant funded or other City position including those employees who "opted out" pursuant to Milford Code of Ordinance §17.1-5(a)(4) shall be eligible for participation in the Retirement System for periods of time in which the employee held such a part-time budgeted position of at least twenty (20) hours per week, not of a seasonal or temporary nature, upon payment to the Retirement Fund of a contribution at the applicable rate of such periods together with such amount as will establish the proper actuarial reserve for the portion of the pension represented by such contribution. Said payment shall be made within two years of signing of this Agreement. This section shall apply to all employees who retired between October 25, 2001 and the signing of this Agreement as well as current employees.

## **SECTION VII - CONTINGENT ANNUITANT OPTION**

Instead of the normal retirement benefit provided for hereunder, an employee may elect a contingent annuitant option providing for actuarially reduced retirement benefits payable to him during his life time after retirement and for the continuance of such payments, or a part of them specified by the employee, to a contingent annuitant for his life after the death of the retired employee. Such election may be made by an employee at any time at least one (1) year prior to his retirement date or within one (1) year to his retirement date upon furnishing evidence of the employee's good health satisfactory to the Retirement Board. An employee who has elected this option may not at any time within one (1) year prior to his retirement date revoke or modify such option except upon furnishing evidence of good health of the contingent annuitant satisfactory to the Retirement Board; provided, however, that the death of the contingent annuitant at any time prior to the employee's retirement date shall automatically revoke such election; and provided, further, that if the contingent annuitant is the spouse of the employee, a divorce granted to either spouse at any time prior to the employee's retirement date shall automatically revoke such election. If an employee who has elected this option dies before his retirement date, the provision of Section VIII shall apply. If the employee dies after his retirement date, the contingent annuitant shall receive for life, commencing on the first day of the calendar month coinciding with or next following the retired employee's death, the benefits specified by the retired employee for the contingent annuitant. If the contingent annuitant dies before the

employee's retirement date, the retirement benefit normally provided under this Agreement will be payable to the retired employee as if this option had been elected. If the contingent annuitant dies after the employee's retirement date, the amount of the payments which the retired employee is then receiving or is entitled to receive will continue unchanged and will cease upon the retired employee's death.

## **SECTION VIII - SURVIVOR'S BENEFITS**

A. If an employee whose pension rights pursuant to this Agreement have otherwise vested dies prior to retirement and if on the date of death such employee is married the surviving spouse shall receive a benefit. The benefit shall begin on the month which coincides with or next following the date of death and shall be paid monthly for the life of the spouse. The monthly benefits shall be equal to the benefit which the member had accrued at the date of death, actuarially reduced for the fifty per cent (50%) contingent annuitant form but with no reduction for commencement of benefits prior to normal retirement age.

Upon the death of the surviving spouse, the Retirement Board shall pay to the beneficiary named by the employee or to his legal representative, if there is no living named beneficiary, any excess contributions made by the former employee over benefits paid out in his behalf.

Said spouse may elect to receive such benefit as described above or may elect to collect as a benefit the contributions made to the Retirement Fund by or on behalf of the deceased employee prior to this death.

## **SECTION IX - CONTRIBUTIONS**

The rate of contribution by all employees participating in the Retirement System shall be two and one quarter (2-1/4%) percent on the first Four Thousand Two Hundred (\$4,200.00) Dollars of pay and five (5%) percent of the excess over Four Thousand Two Hundred (\$4,200.00) Dollars. Effective at signing, the five (5%) percent rate of contribution set forth above shall be reduced to four (4%) percent for all employees once they obtain fifteen or more years of service. The parties agree that if, during the pendency of this contract, the City's actuaries recommend that the City contribute to the pension fund to fund benefits hereunder, the City may reopen negotiations for the purpose of negotiating contribution, but only to the extent of the reduction set forth herein.

Subject to and installation of appropriate software to effectuate payroll modifications at the Board of Education and City of Milford, a §414(h)(2) election shall be made with respect to the plan and thereafter all employee contributions shall be with pre-tax dollars. Parties agree that implementation of the §414(h)(2) shall neither increase nor decrease calculation of average annual pay for the purpose of pension calculation and/or pension benefit.

Employee contributions to the pension plan shall be made on a pre-tax basis in accordance with section 414(h)(2) of the Internal Revenue Code. The City, the Union, and all individual employees shall cooperate by executing whatever documentation might be required from time to time to implement and maintain this provision.

## **SECTION X - GROUP LIFE INSURANCE**

For employees covered by this Agreement, those employees who retire under the Pension Plan of the City of Milford, the cost of Group Life Insurance Policy in the amount of Ten Thousand (\$10,000) Dollars shall be paid for by the City and the Conditions of Employment Ordinance shall be amended to reflect this change.

## **SECTION XI - ACCOUNTING SPLIT**

The City shall adopt an ordinance through the Board of Aldermen, which makes mandatory the present accounting split between the assets and liabilities of the General City Employees' Pension Fund and the assets and liabilities of the Uniformed Employees' Pension Fund.

## **SECTION XII - RETURN OF CONTRIBUTIONS**

In the event of termination of employment of an employee, except upon death, and if such employee does not have five (5) years of continuous service as an employee of the City at the time of such termination of employment, said employees will receive payment of an amount equal to a return of his contributions, plus interest thereof compounded annually at an annual rate established July 1 of each year and based on the interest rate paid for thirty (30) day United States Treasurer Bills. Said payment shall be made to said employee within thirty (30) days of his termination.

## **SECTION XIII - INSURANCE FOR RETIREES AND DEPENDENTS**

For employees in the bargaining unit represented by Local 217, Hotel and Restaurant Employees Union, AFL-CIO, who retire under the Pension Plan of the City of Milford and who are sixty (60) years of age or older and have ten (10) years of service, the Board of Education shall provide and pay for each retiree and his/her dependents the insurance coverage offered to active employees. Upon reaching age sixty-five (65), the City shall provide Blue Cross 65 and Blue Shield 65 for the retiree and his or her spouse at its expense.

## **SECTION XIV - APPLICABLE CAPS**

Notwithstanding any other provision contained herein, all benefits hereunder are expressly subject to the limitation of the Internal Revenue Code Section 415 as same may be amended from time to time and shall not exceed an employee's annual base pay in the year of retirement or highest year's base pay, whichever shall apply.

## **SECTION XV - EFFECTIVE DATE**

The provisions of this Agreement shall become effective from January 1, 2004 until December 31, 2007, and either party may request modification of the agreement by written notice to the other not more than 180 days prior to expiration except that it shall continue to remain in full force and effect until it is amended, modified or terminated by agreement of the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement on this \_\_\_\_ day of September, 2005.

CITY OF MILFORD

By \_\_\_\_\_  
James L. Richetelli, Jr., Mayor

SCHOOL CAFETERIA WORKERS UNION, HERE, LOCAL 217

By \_\_\_\_\_  
Hartford Area Director