

AN AGREEMENT REGARDING PENSION BENEFITS  
BETWEEN THE  
CITY OF MILFORD  
AND  
CONNECTICUT INDEPENDENT LABOR UNION, LOCAL 64

Effective to December 31, 2008

## **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 City of Milford in the Connecticut Independent Labor Union (CILU), Local 64 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.

## **II. VESTING**

In the event of termination of employment of an employee, except upon death, and if such employee has at least ten (10) 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 at signing the vesting requirement for regular pensions (i.e. normal retirement hereunder) 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 the Collective Bargaining Agreement shall continue to be based on a requirement of ten (10) years of service.

- 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 retirement benefit as determined on the date of his termination of employment with the City, so long as he has completed ten (10) years of continuous service as an employee of the City of Milford. The date of his termination of employment shall 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.

### **III. ELIGIBILITY FOR NORMAL RETIREMENT**

- A. The terms of this Agreement shall apply to all employees of the City of Milford belonging to the CILU, Local 64. Any member of the Retirement System who has completed at least five years of continuous service as an employee of the City of Milford and has attained the age sixty (60) shall be eligible for normal retirement for super-annuation under the provisions of this Agreement.
- B. 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.
- C. Effective from June 30, 1992 until December 31, 1992 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. In the event that any employee is terminated for budgetary reasons only between the effective date of this agreement and June 30, 1992, s/he may opt to delay retirement until June 30, 1992. From January 1, 1993 through and including June 30, 1993 the provisions set forth in subparagraph B above shall apply to all retirements.
- D. Effective July 1, 1993, 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.

#### **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/her 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. It is agreed by the parties that early retirement penalty shall be calculated by multiplying four and one-half (4-1/2%) percent times the number of whole units the employee has a shortfall under the Rule of 79 or Age 60, as the case may be on the date of retirement. Under the Rule of 80, for example, if the employee's combination of continuous service and age when added together equals 78, the penalty shall be four and one-half (4-1/2%) times two (2), or nine (9) percent. However, months in excess of a full unit shall be applied to reduce penalty under this subsection. Under a Rule of 80, for example, for an employee whose combined age and continuous service is seventy-eight and six months, the penalty shall be six and three quarters percent (6.75%). Or, for example, for an employee who is age fifty-nine and nine months with five (5) years of continuous service at the date of retirement, the penalty shall be one and one eighth percent (1.125%).

#### **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 on or after July 1, 1992, except as noted in Paragraph C below, 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. 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 above payment schedules apply only to employees who retire on or after July 1, 1992. Employees who retired prior thereto shall continue to be paid under previously established payment schedules.
- C. Normal Retirement: For all employees who retire between June 30, 1992 and December 31, 1992 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. 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 above payment schedules apply only to employees who retire between June 30, 1992 and December 31, 1992. 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. 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 above payment schedules apply only to employees who retire on or after July 1, 1994 until June 30, 1995. 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 definition of "previous twenty-four (24) months" used in this Agreement means previous 103 weeks' earnings from which pension deductions are taken from the date of retirement, plus the hold back week, plus the balance of vacation time. 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 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 who 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. Each retiree who receives a disability retirement pursuant to these provisions shall be subject to the following limitations: payments for retirement made by the City of Milford shall be adjusted so that the total of such payment received by the retiree for pension and other wages shall not exceed one hundred (100%) of the current yearly compensation paid for the job the retiree would have occupied if still employed. Proof of compliance shall be requested each year by June 30 by the City of Milford. A Retiree's failure to comply with this request shall cause his pension to be suspended after receiving proper notice of such suspension.

## **VI. BUY-IN PROVISION**

- A. 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 shall be eligible for participation in the Retirement System for periods of time in which the employee held 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 for such periods together with such amount as will establish the proper actuarial reserve for that portion of the pension represented by such contribution.

- B. An employee whose employment with the City is terminated for any reason followed by rehire or reinstatement to City employment in a budgeted position shall be eligible for participation in the Retirement System for the period prior to his 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.

Any employee having such prior City service and having withdrawn his pension contributions from the Retirement System upon termination shall have the right to buy in that prior service time upon payment to the Retirement Fund of the proper amount as calculated above within six (6) months of the signing of this Agreement. Effective upon the signing of this Agreement, no employee of the City of Milford whose employment with the City is terminated for any reason followed by rehire or reinstatement to city employment in a budgeted position shall have the right to buy in to the Retirement System for that prior service time unless and until he contributes the proper amount as prescribed above within three (3) months of the date of his rehire or reinstatement to City employment.

- C. 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 reached age of 50 with 10 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 simple 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.



- D. For employees who retire on and after June 30, 1992, the military service up to three years described in subparagraphs C (1-5) above may be utilized to meet the retirement thresholds as set forth more particularly in Sections III, IV and V.

## **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 not 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.

## **VIII. SURVIVOR'S BENEFITS**

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 (50%) percent contingent annuitant form but with no reduction for commencement of benefits prior to normal retirement age.

Said spouse who received such benefits pursuant to this section shall waive and not be entitled to collect as a benefit the contributions made to the Retirement Fund by or on behalf of the deceased employee prior to his death.

Upon the death of the 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, any excess contributions made by the former employee over benefits paid out in his behalf.

#### **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 those employees whose service for pension purposes to the City totals fifteen or more years. 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.

#### **X. GROUP LIFE INSURANCE**

For employees covered by this Agreement retired under the Pension Plan of the City of Milford, the cost of a Group Life Insurance Plan in the amount of Ten Thousand (\$10,000.00) Dollars shall be paid for by the City.

#### **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.

## **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 employee will receive 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. Said payment will be made to said employee within thirty (30) days of his termination.

## **XIII. ADJUSTMENTS FOR EXISTING RETIREES**

The Pension and Retirement Board of the City of Milford shall cause a study to be made by the City Actuary and prepare a Report to be submitted to the Board of Aldermen every three (3) years on the current status of Pension Payments being made to all Retirees pursuant to this Agreement and the effect of inflation among other things as it effects these payments over that period.

The Board of Aldermen after receiving the Report and recommendation of the Pension and Retirement Board of the City of Milford shall have the right in its sole discretion to make upward adjustments in the payments being made by the Retirement Fund to current retirees. The Board of Aldermen shall vote on such adjustments within ninety (90) days from the date of the receipt of the Actuary Report.

The next report and the review by the Board of Aldermen of payments to be made to current retirees shall be made on October 27, 1993 and shall take place every three (3) years thereafter.

## **XIV. EFFECTIVE DATE**

The provisions of this Agreement shall become effective on date of signing and shall extend through December 31, 2008, 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  
16th day of October, 2003.

CITY OF MILFORD

CONNECTICUT INDEPENDENT  
LABOR UNION, LOCAL 64

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

By \_\_\_\_\_  
Debra Dubien

By \_\_\_\_\_  
Kathleen McGuinness