

AN AGREEMENT REGARDING PENSION BENEFITS

BETWEEN THE

CITY OF MILFORD

AND

THE MILFORD EMPLOYEES ASSOCIATION

AFSCME COUNCIL 4, LOCAL 3322

Effective to June 30, 2012

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 City of Milford in the Milford Employees Association, AFSCME Council 4, Local 3322, 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 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:

- (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.

Section III – Eligibility for Normal Retirement

- A. The terms of this Agreement shall apply to all employees of the City of Milford in the Milford Employees Association, AFSCME Council 4, Local 3322, bargaining unit. Any member of the Retirement System who has completed at least ten (10) 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. In addition, 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-five (85) shall be eligible for normal retirement for super-annuation under the provisions of this agreement.
- B. Effective January 1, 1986 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-four (84) 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 eighty-three (83) 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. Effective from April 1, 1993 through 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.

- H. Effective July 1, 1995, 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 ten (10) 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.

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 through 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. 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 XV. 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. 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 XV. 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 except those who retired between July 1, 1992 and December 18, 1992 will receive a prospective recalculation of their benefit which will reflect this enhancement.

- 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 calculation of benefits hereunder is expressly subject to the limitations as set forth in Section XV. 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, 1996, 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 calculation of benefits hereunder is expressly subject to the limitations as set forth in Section XV. The above payment schedules apply only to employees who retire on or after July 1, 1996. 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.

Section 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 or grant funded or other City position including those employees who “opted out” pursuant to Milford Code Ordinances §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 this Agreement. This section shall apply to current employees.
- 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 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. 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 can not be elected until such time as the employee has reached age of 50 with ten (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 interest for each year from their date of employment to pay-out date. Said interest will be established each July 1 based on the current interest rate paid for thirty (30) day United States Treasurer Bills.
 6. Effective June 1, 1992, the military service up to three (3) years described in Section VI, B(1-5) above may be utilized to meet the retirement thresholds as set forth more particularly in Section III, F, G, and H.

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 or revoked by an employee at any time prior to the date of retirement, but may not be made or revoked once benefits commence. 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

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.

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 those employees who have 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.

Section 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) 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 ten (10) 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.

Section 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 First Report and the review by the Board of Aldermen of payments to be made to current retirees shall be made within one (1) year of the signing of this agreement and shall take place every three (3) years thereafter.

Section XIV – Calculation of Previous 24 Months

The parties agree that 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.

Section XV – Applicable Caps

Notwithstanding any other provision contained herein, all benefits hereunder shall not exceed an employee's annual base pay in the year of retirement or highest year's base pay, whichever shall apply.

Section XVI – Effective Date/Reopener

(A) The provisions of this Agreement shall become effective from ratification until June 30, 2012, except that it shall continue to remain in full force and effect until it is amended, modified or terminated by agreement of the parties. One hundred eighty (180) days prior to the expiration of this agreement, the Union may request to commence negotiations on a successor agreement. The City shall meet with the Union to commence negotiations within fourteen (14) calendar days of such request.

(B) This Agreement may be re-opened for the purpose of negotiating a transfer of assets to a IRC 420 medical subaccount as follows:

(i) Commencing with completion of the July 1, 2009 Actuarial Valuation of the plan assets, and annually thereafter, the City will secure an opinion from the Actuaries to determine if the plan is sufficiently funded to permit the transfer of a minimum of ten million (\$10,000,000) dollars to a IRC 420 medical subaccount pursuant to the then applicable IRC Regulations. The City shall transmit copies of the Actuarial Valuation and opinion of the Actuaries relating to the funding levels for a IRC 420 transfer within 60 days of receipt of the documents. Within thirty days of the transmittal of said documents either party may request, in writing, that negotiations commence for the purpose of creating a IRC 420 medical subaccount.

(ii) Nothing contained herein shall be construed as an acknowledgment or admission by either party that the IRC 420 transfer or retiree health care enhancements covered under the working agreement are mandatory or proper subjects of bargaining regarding pension benefits.

(iii) The re-opener clause, Section XVI (B), shall terminate on June 30, 2012, and shall not be subject to continuation pursuant to Section XVI (A), unless agreed to, in writing, by both parties.

IN WITNESS WHEREOF, the parties have executed this Agreement on this 14th day of October, 2009.

CITY OF MILFORD

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

MILFORD EMPLOYEES
ASSOCIATION, AFSCME Council 4,
Local 3322

By Glenn Behrle
Glenn Behrle, President

Council 4, AFSCME, AFL-CIO

By Donald Sevas
Donald Sevas, Staff Representative

AGREEMENT BETWEEN THE
MILFORD EMPLOYEES ASSOCIATION,
AFSCME COUNCIL 4, LOCAL 3322
AND
THE CITY OF MILFORD

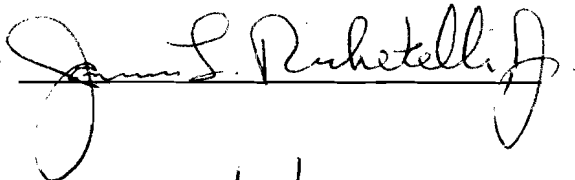
The parties agree to further define Section XV, Applicable Caps of the Pension Agreement, as follows:

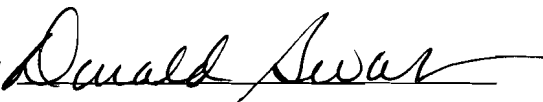
With regard to the contractual provision which caps pensions at a figure not to exceed 100% of the employee's base salary in the highest year or final year of service, whichever applies, it is understood and agreed that the existing practice of calculating "average annual pay" pursuant to the contract shall be unchanged.

Signed this _____ day of _____, 2009.

FOR THE CITY

FOR THE UNION

By 

By 

Date 10/9/09

Date 29 Sep 2009