

**PENN TOWNSHIP BOARD OF SUPERVISORS**  
**100 Municipal Building Road**  
**Duncannon, PA 17020-1100**

**Henry A. Holman, Jr., Chairman      Brian Maguire, Vice-Chairman      Brian K. Peters, Supervisor**

**Minutes of May 14, 2015**

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The Penn Township Board of Supervisors (PTS) met in the Municipal Building on Thursday, May 14, 2015, at 3:00 PM. Chairman Henry Holman, Jr., Vice-Chairman Brian Maguire and Supervisor Brian Peters were in attendance. Other personnel present were Helen Klinepeter (Secretary). Chairman Holman called the meeting to order with the Pledge of Allegiance and a moment of silence. He announced the meeting was being recorded to aid in the preparation of the minutes. A list of visitors is on file in the Township office.

**Act 457 Plan (Plan)** – Ms. Diane Calhoun of PSATS explained the Act 457 Plan. The Plan is funded by employee contribution. Any full-time or part-time employees, the Board of Supervisors and engineer or solicitors who receives a check from the municipality for attending meetings are eligible.

There is an immediate plan entry date. The plans can be pretax withdrawal or with a ROTH Plan, a post-tax withdrawal.

One of the main questions is how can funds be accessed? If you terminate from the plan, the employee can leave the plan in place, transfer to an IRA, another 457 plan or 401K plan.

There is also access to funds for an unforeseeable emergency. This is heavily regulated by the IRS. If an employee dies the amount goes to the beneficiary, by Quado, which is a divorce, by a disability or age 70 1/5 if you have not started to draw on the plan. Proof would need to be provided for the amount needed.

The employees will have control of the plan investments. There will be no fiduciary liability to the Municipality.

Mr. Peters asked if there is a fee for number changes that can be made to the Plan past a certain amount per year. Ms. Calhoun stated that there is not a fee for changes per year. Any fees would be for mutual fund.

Municipalities would have to do the following:

Fill out the Contact Person form.

Send a monthly or quarterly report on each person with the contribution amount. This will start an ACH request.

A Supplemental participation agreement; this is a resolution to use this plan.

An Ordinance to participate with the PSATS Trustees. This ordinance has already been adopted for the defined benefit plans.

An order form for the guide books.

**Cost of the plan.** PSATS charges an administrative fee. This is an annual fee based on the number of employees participating in the plan. Mr. Peters asked what type of plan is currently in place. Ms. Calhoun responded that the Township has two defined benefit plans.

Mr. Peters asked if this would replace our current plans. Ms. Calhoun replied the board could decide either way. Both plans could be offered with the 457 Plan being an additional opportunity

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for an employee to save for retirement. If the decision is to terminate the current plan, there are no guidelines for employees not vested. Most of the time municipalities would grant the vesting for such employees.

With the inactive, vested employees under the current plan there are a couple of options, a possible payout or annuity. The inactive, vested employees would still be owed a pension benefit. The good news is that the current plans are fully funded. There is state aid being received for the uniform plan which is covering the costs.

Mr. Peters asked how much is contributed to the current Township plans. Secretary replied that the current plans are funded by the Township only. Ms. Calhoun informed Mr. Peters that the Township could change the current plans to be employee contribution along with the Township payment, but the employees would get no added benefit. Ms. Calhoun also stated that a possible option would be to offer this to any new hires.

Ms. Klinepeter asked for clarification that if both the current plan and the 457 Plan were in place the Township would have to pay the Minimal Municipal Obligation for the defined benefit plans and the yearly fee for the 457 Plan while the employees would be contributing to the 457 Plan. Ms. Calhoun stated that was correct.

Mr. Peters asked if there is a limit on the amount that could be withheld. Ms. Calhoun stated that there is no minimum amount and the maximum is set by the IRS.

Chairman Holman thanked Ms. Calhoun for attending and answering all the questions.

**Susquenita School District Waiver** – Secretary reported we have received the Building Permit amount for the School District and that the permits are ready for issuance. She asked if the Board wanted to deal with this matter now or wait until the end of month meeting. Upon a Peters/Maguire motion, the Board voted unanimously to table this plan. Upon a Peters/Maguire motion, the Board voted unanimously to rescind his motion for more discussion. Upon a Peters/Maguire motion, the Board voted unanimously to waive the Township Fees and not to waive the Plan Review and Inspection Fees from Pennoni.

Upon a majority Peters/Maguire motion, the PTS voted to adjourn the meeting at 3:52 PM.

Respectfully Submitted,

  
Helen Klinepeter  
Secretary