

**APPENDIX A**  
**PENSION FUND**

**Section 1.** There is created in the Borough of Naugatuck a fund to be known as the Police Pension Fund for bargaining unit members of the Naugatuck Police Department hired prior to September 1, 2011 as paid police officers for the Borough of Naugatuck, including members who worked in other Borough departments who commenced working as Naugatuck paid police officers prior to September 1, 2011 (hereinafter “eligible employees”).

**Section 2.** The Board of Mayor and Burgesses of the Borough of Naugatuck shall annually appropriate to said fund a sum not less than Three Hundred Dollars (\$300.00).

**Section 3.** Upon signing of this Agreement, each eligible employee shall pay into said fund a sum equal to eight percent (8%) of his gross pay excluding private duty pay, prorated monthly, which sum shall be deducted from each eligible employee’s pay and transmitted to said fund in addition to the annual appropriate of the Board of Mayor and Burgesses.

**Section 4.** Said fund shall be under the control of the Board of Mayor, Burgesses and one (1) member of the bargaining unit designated by the Union. The Board of Mayor, Burgesses and the One (1) Union representative shall make rules and regulations for the control, investment and deposit of said fund and are empowered to accept and receive all contributions and donations specifically given to said fund. The controller of the Borough of Naugatuck shall receive and deposit all monies paid into said fund, and make such payments as are ordered by a majority vote of the Board of Mayor, Burgesses, and the one (1) Union representative.

**Section 5.** All eligible employees who are presently members of any pension plan of the Borough of Naugatuck shall waive all rights under said pension plan and contributions that have been made by said employees, plus interest, shall be transferred from said pension plan to the Police Pension Fund and said employees shall be entitled to all benefits that are provided for under the Police Pension Fund. Said eligible employees who have their contributions transferred from any pension plan of the Borough of Naugatuck to the Police Pension Fund shall be entitled to benefits from the date they began contributions to their original pension plan of the Borough of Naugatuck.

**Section 6.** All eligible employees shall be required to become members of the Police Pension Fund and shall contribute to said fund as provided for herein. Bargaining unit employees either new to the bargaining unit as of September 1, 2011 or hired by the Borough on or after September 1, 2011 shall not be eligible to participate in the Police Pension Fund.

**Section 7.** When any eligible employee who has attained a combined total where age and service equals sixty-one (61) and who has served for a period of not less than twenty (20) consecutive years and has contributed to said fund as provided for herein, he/she shall be eligible for a pension upon his/her request on a monthly allotment equal to seventy percent (70%) of his/her average gross pay, excluding private duty pay, for the three (3) calendar years that he/she earned his/her highest gross pay (excluding private duty pay) (final average earnings), provided that said employee has contributed to this fund for all prior years of service.

When any eligible employee who has attained a combined total where age and service equals sixty-three (63) and who has served for a period of not less than twenty-one (21) consecutive years and has contributed to said fund as provided for herein, he/she shall be eligible for a pension upon his/her request on a monthly allotment equal to seventy-one percent (71%) of his/her average gross pay, excluding private duty pay, for the three (3) calendar years that he/she earned his/her highest gross pay (excluding private duty pay) (final average earnings), provided that said employee has contributed to this fund for all prior years of service.

When any eligible employee who has attained a combined total where age and service equals sixty-five (65) and who has served for a period of not less than twenty-two (22) consecutive years and has contributed to said fund as provided for herein, he/she shall be eligible for a pension upon his/her request on a monthly allotment equal to seventy-two percent (72%) of his/her average gross pay, excluding private duty pay, for the three (3) calendar years that he/she earned his/her highest gross pay (excluding private duty pay) (final average earnings), provided that said employee has contributed to this fund for all prior years of service.

When any eligible employee who has attained a combined total where age and service equals sixty-seven (67) and who has served for a period of not less than twenty-three (23) consecutive years and has contributed to said fund as provided for herein, he/she shall be eligible for a pension upon his/her request on a monthly allotment equal to seventy-three percent (73%) of his/her average gross pay, excluding private duty pay, for the three (3) calendar years that he/she earned his/her highest gross pay (excluding private duty pay) (final average earnings), provided that said employee has contributed to this fund for all prior years of service.

When any eligible employee who has attained a combined total where age and service equals sixty-eight (68) and who has served for a period of not less than twenty-four (24) consecutive years and has contributed to said fund as provided for herein, he/she shall be eligible for a pension upon his/her request on a monthly allotment equal to seventy-four percent (74%) of his/her average gross pay, excluding private duty pay, for the three (3) calendar years that he/she earned his/her highest gross pay (excluding private duty pay) (final average earnings), provided that said employee has contributed to this fund for all prior years of service.

When any eligible employee who has attained a combined total where age and service equals sixty-eight (68) and who has served for a period of not less than twenty-five (25) consecutive years and has contributed to said fund as provided for herein, he/she shall be eligible for a pension upon his/her request on a monthly allotment equal to seventy-five percent (75%) of his/her average gross pay, excluding private duty pay, for the three (3) calendar years that he/she earned his/her highest gross pay (excluding private duty pay) (final average earnings), provided that said employee has contributed to this fund for all prior years of service.

It is further agreed that no eligible employee shall receive a pension in excess of seventy-five percent (75%) of his/her average gross pay, (excluding private duty), for the three (3) calendar years that he/she earned his/her highest gross pay (excluding private duty) (final average earnings), as set forth herein.

It is understood that accumulated sick time paid upon retirement is included in calculating the

highest gross pay's base salary of the three (3) calendar year average for eligible employees.

**Section 8.** Any eligible employee may be retired, as provided for herein, on account of illness or total or partial incapacity resulting from injury incurred in the discharge of his duty as a Naugatuck Police Officer. In order to qualify for such retirement, the eligible employee must be examined by three (3) reputable physicians selected by the Borough. If upon completion of the examinations, two (2) of the physicians determine and certify in a written report to the Borough that the eligible employee is unable to perform the essential duties of a police officer, the eligible employee may be retired under this section on a monthly allotment equal to one-half (1/2) of the average monthly pay received by him during the three (3) calendar years that he/she earned his/her highest gross pay (excluding private duty pay). The written, certified report must be submitted to the Borough within twelve (12) months of the date of the eligible employee's application for retirement.

**Section 9.** When any eligible employee with ten (10) or more years of service who has contributed to this pension fund for at least ten (10) years as provided for herein is unable to perform the essential duties of a police officer and is so certified within twelve (12) months of the date his application for retirement is submitted to the Borough by three (3) reputable physicians chosen by the Borough from causes not incurred in the performance of his duty, he may be retired on a monthly allotment equal to one-half (1/2) of the average monthly pay received by him during the three (3) calendar years that he/she earned his/her highest gross pay (excluding private duty pay).

**Section 10.** Each eligible employee who terminates his employment prior to normal retirement shall acquire a vested interest in his/her pension benefits provided that said employee has at least ten (10) continuous years of employment as a full-time employee with the Borough during which period said employee contributed toward the pension plan. Effective upon reaching the age of sixty (60), said employee shall be paid a pension benefit equal to two percent (2%) of the average of his/her base salary for the three (3) calendar years that he/she earned his/her highest average base salary multiplied by his years of credited service. Said pension benefits shall begin when the employee reaches the retirement age referred to herein and said benefit shall be limited to a maximum of sixty percent (60%) of the average of the three (3) calendar years that he/she earned his/her highest gross pay (excluding private duty pay). It is agreed that no pension will be paid unless said employee allows his own contribution to remain in the pension fund.

**Section 11.** When any active member of the Naugatuck Police Department who has contributed to this fund dies, whether prior to or subsequent to retirement, there shall be paid monthly by the Borough of Naugatuck a sum equal to one-half (1/2) of the pension benefits that are being paid to said member or that would have been paid to said member if he retired in accordance with the terms of this pension fund at the time of his death, such payments to be made:

- A. To the surviving spouse of such member for his/her lifetime or until his/her remarriage;
- B. To the minor dependent child of such member upon the death or remarriage of such spouse (or upon the death of the member, if there shall be no such surviving spouse);

provided, however, that such sum shall not exceed twenty-five percent (25%) of such member's pension benefits at the time of his death, if there shall be only one (1) minor dependent child; thirty-seven and one-half percent (37 1/2%) if there shall be two (2) surviving minor children, and fifty percent (50%) if there shall be three (3) or more minor children. Said payments for each minor child shall cease when said minor child reaches the age of eighteen (18) years.

- C. If there shall be no surviving spouse, and no surviving minor dependent child, such pension benefits shall be paid to the surviving dependent parents or parent of such member. If there shall be no person eligible to receive benefits under this section as outlined in Paragraphs A, B, and C above, there shall be paid the Estate of the deceased member an amount equal to the contribution made by such member to the pension fund diminished by any amount or amounts which such member or his spouse or surviving children or parents may have received under the provisions of Paragraph A, B, or C above.

**Section 12.** No action for any amount due under the provisions of this act shall be brought but within two (2) years after the right of action shall accrue. All amounts not claimed within said period shall remain a part of said fund.

**Section 13.** Said fund and the right of any person under the provisions of this act to any payment from said fund shall be exempt from any state, municipal, transfer or inheritance tax and shall not be subject to attachment, garnishment or execution and shall be unassignable.

**Section 14.** It is expressly understood that the Union waives any claim to a retroactive application of any of the terms of this pension fund that may exist.

**Section 15.** The Borough agrees to notify the Union President and the Union pension board representatives of all meetings of the pension board.

**Section 16.** The Borough agrees to provide copies of any activity report(s) and/or annual pension report of earnings and status to the President of the Union.

**Section 17.** The Borough agrees to provide each employee with a statement of their contributions to the plan and projected benefits at normal retirement once annually.

**Section 18.** Effective July 1 of each year following the full year after a participant's retirement following his normal retirement age or disability retirement the participant's benefit shall be increased by twenty-five percent (25%) of the percentage of any wage increase received by an employee in the same classification as such participant at the time of his retirement; provided, however, such benefit shall never exceed one hundred percent (100%) of the participant's final average earnings.

**Section 19.** Any member who was laid off and had withdrawn his/her contributions from the pension fund shall be entitled to buy back into said fund. Such employee shall be entitled to spread such payments over the number of weeks remaining to his/her earliest date of full retirement.

In no event shall the buy back period exceed five (5) years.

**Section 20.** Bargaining unit employees either new to the bargaining unit as of September 1, 2011 or hired by the Borough on or after September 1, 2011 shall not be eligible to participate in the Police Pension Fund. Such employees either new to the bargaining unit as of September 1, 2011 or hires by the Borough on or after September 1, 2011 shall be required to participate in the Borough's defined contribution plan with a minimum contribution of three and three quarter percent (3.75%) annually of total W-2 wages (excluding private duty) (and shall not be eligible to participate in any other pension plan offered by the Borough).

The Borough shall contribute a maximum of three and three quarter percent (3.75%) annually of employee's total W-2 wages (excluded private duty), as a match of the employee's contribution of three and three quarter percent (3.75%); however, the employee may, on a voluntary basis, contribute up to the maximum amount allowed by applicable law (with no additional match by the Borough beyond the three and three quarter percent (3.75%)).

The Borough's contribution shall be made on a weekly basis (however, in the event that the parties agree to bi-weekly pay for bargaining unit employees, such contributions will be made on a bi-weekly basis).

The Borough further agrees that it will make its best efforts to find a group Long Term Disability Policy to be made available to all Union Members, who shall be provided with the opportunity to buy into the policy at the Town's rate. The Borough shall not be required to make any contribution to the cost of the policy. The policy shall be provided to the Union no later than January 31, 2012.

**Section 21.** For purposes of this Agreement (and the Borough's defined contribution plan), the effective date shall be September 1, 2011. The duration of this Agreement (and the Borough's defined contribution plan) shall extend through September 1, 2051, and shall not be subject to reopen during this time period, except as set forth below.

On an annual basis, effective June 30, 2012 the Borough, at its discretion, may seek to reopen this Agreement for the limited purpose of negotiating over increasing the Borough's maximum contribution match toward the defined contribution plan set forth under Section 20 by providing notice to the Union by certified mail, no earlier than one-hundred fifty (150) days of the applicable year nor later than one-hundred twenty (120) of the applicable year.

Either party wishing to amend or modify this Agreement may so notify the other party by certified mail, no earlier than January 1, 2051 nor later than February 28, 2051. In the event such notice to amend or modify is not given within the period above, this Agreement shall automatically be extended for one (1) year and such notice requirement shall be repeated.

The parties understand and agree that the only exception to reopening this entire Agreement is if changes in applicable law require changes to the Plan to conform to such changes in the law. Therefore, for the duration of this Agreement, through June 30, 2051, the Borough and the Union shall be prohibited from reopening the terms of the defined benefit portion of the Police Pension

Fund. This provision may not be waived, nor modified by the agreement of the Borough and the Union at any time, and enforcement of this provision may be pursued by any beneficiary of the Police Pension Fund. The parties agree that waiver or modification of this provision shall result in irreparable harm to the employee participants in the defined benefit portion of the Police Pension Fund, as well as to non-employee beneficiaries thereof, and the parties further agree that any court of competent jurisdiction shall have authority to issue, by ex parte order, an injunction enjoining waiver or modification of this provision, and further mandating compliance therewith. Both the Borough and the Union shall be responsible jointly and severally for paying any attorneys fees and costs incurred by any employee participant or non-employee beneficiary of the defined benefit portion of the Police Pension Fund who successfully pursues enforcement of this provision before any appropriate forum.