

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILLNo. 994 Session of  
1991

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INTRODUCED BY CAPPABIANCA, SALOOM, DEMPSEY, DeLUCA, VAN HORNE,  
VEON, STURLA, HARPER, KRUSZEWSKI, BELFANTI, ALLEN, PESCI,  
D. R. WRIGHT, CAWLEY, SCRIMENTI, ULIANA, R. C. WRIGHT,  
JOHNSON, BILLOW, LAUGHLIN, MELIO, BOYES, WOZNIAK,  
E. Z. TAYLOR, RICHARDSON, PETRARCA, COHEN, TRELLO, TELEK AND  
JAMES, APRIL 3, 1991

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AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF  
REPRESENTATIVES, AS AMENDED, NOVEMBER 26, 1991

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## AN ACT

1 Amending the act of May 23, 1945 (P.L.903, No.362), entitled "An  
2 act authorizing cities of the third class to establish an  
3 optional retirement system for officers and employes  
4 independently of any pension system or systems existing in  
5 such cities," further providing for membership on retirement  
6 boards; and authorizing cost-of-living increases.

7 The General Assembly of the Commonwealth of Pennsylvania  
8 hereby enacts as follows:

9 Section 1. Section 3 of the act of May 23, 1945 (P.L.903,  
10 No.362), entitled "An act authorizing cities of the third class  
11 to establish an optional retirement system for officers and  
12 employes independently of any pension system or systems existing  
13 in such cities," amended July 18, 1986 (P.L.1413, No.128), is  
14 amended to read:

15 Section 3. In any such city which creates such retirement  
16 system there shall be created a board to be known as the  
17 "Officers and Employes Retirement Board," consisting of the

1 mayor, the city controller, the director of finance, two  
2 employes to be chosen by the employes contributing to the  
3 retirement fund, subject to the condition that if, on or after  
4 September 1, 1991, a vacancy occurs among the employe members of  
5 the board, a retired city employe chosen by the association of  
6 retired city employes shall be appointed to the board and a  
7 retired city employe shall thereafter hold membership on the  
8 board and, if members of council participate in the retirement  
9 fund and are members of the fund, a member of council, chosen by  
10 council. It shall be the duty of said board to register all  
11 persons employed by the said city, and to administer the  
12 collections and distribution of the fund, herein provided for,  
13 and make such reasonable rules in the premises as such board may  
14 deem necessary to carry into effect the provisions of this act.

15 Section 2. The act is amended by adding a section to read:

16 Section 4.1. (a) The board may, subject to the approval  
17 required under subsection (b), increase the compensation of any  
18 member of the fund by reason of and after the termination of the  
19 services of such member of the fund. Such increases shall be in  
20 conformity with a uniform scale, which shall be based on the  
21 Consumer Price Index for all urban consumers calculated by the  
22 Bureau of Labor Statistics of the United States Department of  
23 Labor, but the total of any such allowance shall not at any time  
24 exceed one-half of the current salary being paid to nonuniformed  
25 employes of the highest pay grade. No cost of living increase <—  
26 shall be granted which would impair the actuarial soundness of  
27 the fund.

28 (b) The board may recommend the increase described in  
29 subsection (a) to the city council at any time. Provided that  
30 the provisions of section 305 of the act of December 18, 1984

1 (P.L.1005, No.205), known as the "Municipal Pension Plan Funding  
2 Standard and Recovery Act," have been satisfied, the council, by  
3 ordinance, may approve this increase subject, however, to the  
4 approval of the mayor.

5       Section 3. This act shall take effect in 60 days.