THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL No. $2549^{Session of}_{1992}$

INTRODUCED BY CALTAGIRONE, TRELLO, PETRONE, McNALLY, DeLUCA AND GIGLIOTTI, MARCH 25, 1992

REFERRED TO COMMITTEE ON URBAN AFFAIRS, MARCH 25, 1992

AN ACT

1 2 3 4 5 6	Amending the act of June 23, 1931 (P.L.932, No.317), entitled "An act relating to cities of the third class; and amending, revising, and consolidating the law relating thereto," permitting interests in firefighter pension funds to vest after 12 years under certain conditions; and providing for the amount of the retirement allowance benefit vested.
7	The General Assembly of the Commonwealth of Pennsylvania
8	hereby enacts as follows:
9	Section 1. Sections 4302.1 and 4303(a) of the act of June
10	23, 1931 (P.L.932, No.317), known as The Third Class City Code,
11	reenacted and amended June 28, 1951 (P.L.662, No.164) and
12	amended December 17, 1990 (P.L.715, No.178), are amended to
13	read:
14	Section 4302.1. Limited Vested Benefit(a) The ordinance
15	may provide for a limited vested benefit if such would conform
16	to section 305 of the act of December 18, 1984 (P.L.1005,
17	No.205), known as the "Municipal Pension Plan Funding Standard
18	and Recovery Act." Under the provisions of the benefit, should a
19	member of the police pension fund or firefighter pension fund,

before completing the minimum age and minimum period of continuous service requirements but after having completed twelve years of full-time service, the member shall be entitled to vest his or her retirement benefits subject to the following conditions:

6 (1) the member must file with the management board of the
7 police pension fund <u>or firefighter pension fund</u> a written notice
8 of his or her intention to vest;

9 (2) the member must include in the notice, the date the 10 member intends to terminate his or her service as a full-time 11 police officer <u>or as a full-time firefighter</u>;

12 (3) the termination date shall be at least thirty days later 13 than the date of notice to vest;

14 (4) the member must be in good standing with the police 15 department <u>or fire department</u> on the date of notice to vest; and 16 (5) the board shall indicate on the notice to vest the rate 17 of the monthly pay of the member as of the date of said notice 18 to vest or the highest average annual salary which the member 19 received during any five years of service preceding said date, 20 whichever is the higher.

(b) Upon reaching the date which would have been the member's retirement date had the member continued his or her full-time employment with the police department <u>or fire</u> <u>department</u>, the member shall notify the board, in writing, that the member desires to collect his or her pension. The amount of retirement benefits the member is entitled to receive under this section shall be computed as follows:

(1) the initial determination of the member's base
retirement benefits shall be computed on the salary indicated on
the notice to vest; and

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1 (2) the portion of the base retirement benefits due the member shall be determined by applying to the base amount the 2 3 percentage that his or her years of service actually rendered 4 bears to the years of service which would have been rendered had the member continued to be employed by the department until his 5 or her minimum retirement date. 6

7 Section 4303. Allowances and Service Increments. -- (a) Payments for allowances shall not be a charge on any other fund 8 9 in the treasury of the city or under its control save the police 10 pension fund and firefighter pension fund herein provided for. 11 The basis of the apportionment of the pension shall be determined by the rate of the monthly pay of the member at the 12 13 date of injury, death, honorable discharge, vesting under 14 section 4302.1 or retirement, or the highest average annual 15 salary which the member received during any five years of 16 service preceding injury, death, honorable discharge, vesting 17 under section 4302.1 or retirement, whichever is the higher, and 18 except as to service increments provided for in subsection (b) 19 of this section, shall not in any case exceed in any year one-20 half the annual pay of such member computed at such monthly or 21 average annual rate, whichever is the higher.

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Section 2. This act shall take effect in 60 days.