

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 760 Session of
1995

INTRODUCED BY BELFANTI, GORDNER, PHILLIPS, L. I. COHEN, COY,
STABACK, LEDERER, BELARDI, PESCI, CURRY, WASHINGTON, DALEY,
VAN HORNE, RAYMOND, ITKIN, BUXTON, PRESTON, MIHALICH,
YOUNGBLOOD, TANGRETTI, D. R. WRIGHT, RICHARDSON, ROONEY,
TRELLO, SCHULER, LAUGHLIN, FLICK, PETRARCA AND SHANER,
FEBRUARY 14, 1995

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, FEBRUARY 14, 1995

AN ACT

1 Amending the act of May 29, 1956 (1955 P.L.1804, No.600),
2 entitled "An act providing for the establishment of police
3 pension funds or pension annuities in certain boroughs, towns
4 and townships, and the regulation and maintenance thereof;
5 providing for an actuary; continuance of existing funds or
6 transfer thereof to funds herein established; prescribing
7 rights of beneficiaries; contributions by members; providing
8 for expenses of administration; continuation of existing
9 authority to provide annuity contracts; credit for military
10 service; refunds; exempting allowances from judicial process;
11 and repealing certain acts," further providing for length of
12 service and age requirements for pension eligibility and for
13 length of service increments.

14 The General Assembly of the Commonwealth of Pennsylvania
15 hereby enacts as follows:

16 Section 1. Section 3 of the act of May 29, 1956 (1955
17 P.L.1804, No.600), referred to as the Municipal Police Pension
18 Law, amended October 21, 1965 (P.L.643, No.317), is amended to
19 read:

20 Section 3. Each ordinance or resolution establishing a
21 police pension fund shall prescribe a minimum period of total

1 service in the aggregate of [twenty-five years] not less than
2 twenty years, in the same borough, town or township and [shall
3 fix the age of the members of the force at fifty-five years, or,
4 if an actuarial study of the cost shows that such reduction in
5 age is feasible, may fix the age of the members of the force
6 at], when any minimum age is prescribed, a minimum age of fifty
7 years, after which they may retire from active duty, and such
8 members as are retired shall be subject to service, from time to
9 time, as a police reserve, in cases of riot, tumult or
10 preservation of the public peace until unfitted for such
11 service, when they may be finally discharged by reason of age or
12 disability.

13 Section 2. Section 5 of the act, amended December 7, 1979
14 (P.L.475, No.99), is amended to read:

15 Section 5. Payments made under the provisions of this act
16 shall not be a charge on any other fund in the treasury of any
17 borough, town or township, or under its control, save the police
18 pension fund herein provided for. The basis for determining any
19 pension payable under this act, following retirement of any
20 member of the force meeting the service and age qualifications
21 of the ordinance or resolution establishing a police pension
22 fund, shall be as follows:

23 Monthly pension or retirement benefits other than length of
24 service increments shall be computed at one-half the monthly
25 average salary of such member during not more than the last
26 sixty nor less than the last thirty-six months of employment.
27 Such pension or retirement benefits for any month shall be
28 computed as the sum of (i) any pension benefits from pension
29 plans heretofore established by a private organization or
30 association for the members of the police force but only to the

1 extent that this Commonwealth or any of its municipalities shall
2 have contributed to such pension plan moneys raised by taxation,
3 (ii) if positions covered by the fund are included in an
4 agreement under the Federal Social Security Act, up to seventy-
5 five per centum of his full social security old-age insurance
6 benefit calculated in accordance with the provisions of the
7 Federal Social Security Act in effect on the date of his
8 termination of employment, except that such amount shall be
9 included only upon attainment of the age at which the officer
10 would be eligible to receive full social security old-age
11 insurance benefits and in determining such eligibility and such
12 amount only compensation for services actually rendered by the
13 officer and covered by the police pension fund shall be
14 included, and (iii) benefits from the police pension fund
15 established pursuant to this act to the extent necessary to
16 bring the total benefits in any month up to one-half the
17 aforesaid monthly average salary: Provided, however, That any
18 officer who receives pension or retirement benefits from any
19 plan established at any time pursuant to this act and who is
20 also entitled to receive social security old-age insurance
21 benefits shall not regardless of when the officer retired from
22 active service have his pension or retirement benefits offset or
23 reduced by more than seventy-five per centum of the social
24 security old-age insurance benefits which he receives. If this
25 Commonwealth or one of its municipalities shall have contributed
26 moneys raised by taxation to a pension plan established by a
27 private organization or association for the members of the
28 police force, the pension benefits to be taken into account
29 under clause (i) of this paragraph shall be that proportion of
30 the total pension benefits payable under clause (i) as the

1 assets attributable to contributions of moneys raised by
2 taxation bear to the total assets of the pension plan. In the
3 case of the payment of pensions for permanent injuries incurred
4 in service and to families of members killed in service, the
5 amount and commencement of the payments shall be fixed by
6 regulations of the governing body of the borough, town or
7 township. [Any borough, town or township may establish and pay
8 length of service increments for years of service beyond twenty-
9 five years for each completed year of service in excess of
10 twenty-five years, not to exceed one hundred dollars (\$100).
11 Such length of service increments may be paid in addition to
12 other monthly pension or retirement allowances.]

13 The ordinance or resolution establishing the police pension
14 fund may provide for a cost of living increase for members of
15 the police force receiving retirement benefits: Provided,
16 however, That such cost of living increase shall not exceed the
17 percentage increase in the Consumer Price Index from the year in
18 which the police member last worked: Provided further, That in
19 no case shall the total police pension benefits exceed seventy-
20 five per centum of the salary for computing retirement benefits:
21 And provided further, That the total cost of living increase
22 shall not exceed thirty per centum. No cost of living increase
23 shall be granted which would impair the actuarial soundness of
24 the pension fund.

25 The ordinance or resolution establishing the police pension
26 fund may provide for a vested benefit provided that such would
27 not impair the actuarial soundness of the pension fund. Under
28 the provisions of such benefit, should a police officer, before
29 completing superannuation retirement age and service
30 requirements but after having completed twelve years of total

1 service, for any reason cease to be employed as a full-time
2 police officer by the municipality in whose pension fund he has
3 been a member, he shall be entitled to vest his retirement
4 benefits by filing with the governing body within ninety days of
5 the date he ceases to be a full-time police officer a written
6 notice of his intention to vest. Upon reaching the date which
7 would have been his superannuation retirement date if he had
8 continued to be employed as a full-time police officer he shall
9 be paid a partial superannuation retirement allowance determined
10 by applying the percentage his years of service bears to the
11 years of service which he would have rendered had he continued
12 to work until his superannuation retirement date to the gross
13 pension, using however the monthly average salary during the
14 appropriate period prior to his termination of employment. Such
15 pension or retirement benefits for any month shall be the sum of
16 clauses (i), (ii) and (iii) of such benefits from the police
17 pension fund established pursuant to this act to the extent
18 necessary to bring the total benefits in any month up to his
19 partial superannuation retirement allowance outlined above.

20 Section 3. The act is amended by adding a section to read:

21 Section 5.1. In addition to the retirement allowance which
22 is authorized to be paid from the police pension fund by this
23 act, and notwithstanding the limitations therein placed upon
24 such retirement allowances and upon contributions, every
25 contributor who shall become entitled to the retirement
26 allowance shall also be entitled to the payment of a "service
27 increment" in accordance with and subject to the following
28 conditions:

29 (1) Service increment shall be the sum obtained by computing
30 the number of whole years after having served the minimum

1 required by this act during which a contributor has been
2 employed by the borough, town or township and paid out of the
3 treasury, including credit for military service as provided in
4 section four, and multiplying the number of years so computed by
5 an amount equal to one-fortieth of the retirement allowance
6 which has become payable to the contributor in accordance with
7 the provisions of this act. In computing the service increment,
8 no employment after the contributor has reached the age of
9 sixty-five years shall be included, and no service increment
10 shall be paid in excess of one hundred dollars (\$100) per month.

11 (2) Each contributor, from and after the effective date of
12 this section, shall pay into the pension fund a monthly sum in
13 addition to his retirement contribution, which shall be equal to
14 one-half of one per centum of his salary. This payment shall not
15 exceed the sum of one dollar (\$1) per month. Further, the
16 service increment contribution shall not be paid after a
17 contributor has reached the age of sixty-five years.

18 (3) Persons who are contributors on the effective date of
19 this section who have already reached the age of sixty-five
20 years shall have his service increment computed on the years of
21 employment prior to the date of reaching his sixty-fifth
22 birthday.

23 (4) Service increment contributions shall be paid at the
24 same time and in the same manner as retirement contributions,
25 and may be withdrawn in full, without interest, by persons who
26 leave the employment of the borough, town or township, subject
27 to the same conditions by which retirement contributions may be
28 withdrawn, or by persons who retire before becoming entitled to
29 any service increment.

30 Section 4. This act shall take effect in 60 days.