

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**HOUSE BILL**

**No. 1749** Session of  
2001

INTRODUCED BY CURRY, GEORGE, BELFANTI, CASORIO, M. COHEN,  
COLAFELLA, COSTA, CRUZ, DeLUCA, FRANKEL, GRUCELA, HESS,  
HORSEY, JAMES, KIRKLAND, LAUGHLIN, McCALL, MICOZZIE, NICKOL,  
PETRARCA, PRESTON, READSHAW, RUBLEY, SAINATO, SCHULER,  
SHANER, SOLOBAY, STERN, TIGUE, TRELLO, WALKO, WANSACZ,  
WASHINGTON, C. WILLIAMS, WILT AND YOUNGBLOOD, JUNE 13, 2001

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, JUNE 13, 2001

AN ACT

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

16 The General Assembly of the Commonwealth of Pennsylvania  
17 hereby enacts as follows:

18 Section 1. Section 5(c) of the act of May 29, 1956 (1955  
19 P.L.1804, No.600), referred to as the Municipal Police Pension  
20 Law, amended February 18, 1998 (P.L.158, No.24), is amended and  
21 the section is amended by adding a subsection to read:

22 Section 5. \* \* \*

1 (c) Monthly pension or retirement benefits other than length  
2 of service increments shall be computed at one-half the monthly  
3 average salary of such member during not more than the last  
4 sixty nor less than the last thirty-six months of employment.  
5 Such pension or retirement benefits for any month shall be  
6 computed as the sum of (1) any pension benefits from pension  
7 plans heretofore established by a private organization or  
8 association for the members of the police force but only to the  
9 extent that this Commonwealth or any of its municipalities shall  
10 have contributed to such pension plan moneys raised by taxation;  
11 (2) if positions covered by the fund are included in an  
12 agreement under the Federal Social Security Act, up to seventy-  
13 five per centum of his full social security old-age insurance  
14 benefit calculated in accordance with the provisions of the  
15 Federal Social Security Act in effect on the date of his  
16 termination of employment, except that such amount shall be  
17 included only upon attainment of the age at which the officer  
18 would be eligible to receive full social security old-age  
19 insurance benefits and in determining such eligibility and such  
20 amount only compensation for services actually rendered by the  
21 officer and covered by the police pension fund shall be  
22 included; and (3) benefits from the police pension fund  
23 established pursuant to this act to the extent necessary to  
24 bring the total benefits in any month up to one-half the  
25 aforesaid monthly average salary except that any officer who  
26 receives pension or retirement benefits from any plan  
27 established at any time pursuant to this act and who is also  
28 entitled to receive social security old-age insurance benefits  
29 shall not regardless of when the officer retired from active  
30 service have his pension or retirement benefits offset or

1 reduced by more than seventy-five per centum of the social  
2 security old-age insurance benefits which he receives. Optional  
3 forms of pension or retirement benefit payments, other than lump  
4 sums, may be made available, each being the actuarial equivalent  
5 of the form set forth in the actuarial valuation report filed  
6 with the Public Employee Retirement Commission that is  
7 applicable to the period and that includes the retirement date.

8 \* \* \*

9 (j) In lieu of the provisions set forth in subsection (f),  
10 the ordinance or resolution establishing the police pension fund  
11 may provide for a late retirement benefit. The late retirement  
12 benefit shall be provided to a member of the police force who  
13 terminates employment after completion of superannuation  
14 retirement age and service requirements and who files a written  
15 application for a late retirement benefit with the governing  
16 body of the municipality or regional police department. The late  
17 retirement benefit shall become effective as of the date that  
18 the application is filed with the governing body or the date  
19 that is designated in the application, whichever is later, and  
20 shall be the actuarial equivalent of a superannuation benefit  
21 calculated by: (1) applying age and service requirements which  
22 satisfy the provisions set forth in section 3 and the  
23 limitations in subsections (c) and (d), as applicable; and (2)  
24 actuarially increasing the superannuation requirement benefit to  
25 reflect that it will commence on the effective date of late  
26 retirement rather than on the date that the member completed the  
27 superannuation age and service requirements. The actuarial  
28 increase shall be calculated using the actuarial assumptions  
29 reported in the last actuarial valuation report filed with the  
30 Public Employee Retirement Commission under the act of December

1 18, 1984 (P.L.1005, No.205), known as the "Municipal Pension  
2 Plan Funding Standard and Recovery Act." If, however, it is  
3 determined to provide a greater amount than provided by the  
4 actuarial equivalent of the superannuation retirement benefit,  
5 the late retirement benefit shall be based upon the member's  
6 average salary and service as of the effective date of late  
7 retirement.

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