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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2237 Session of  
2022

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INTRODUCED BY WHITE, BERNSTINE, BRIGGS, BROOKS, CIRESI, DEASY,  
DRISCOLL, ECKER, FARRY, GALLOWAY, GILLEN, GLEIM, HARKINS,  
HARRIS, HILL-EVANS, HOHENSTEIN, JAMES, JOZWIAK, KAIL,  
KNOWLES, KULIK, LEWIS DELROSSO, M. MACKENZIE, R. MACKENZIE,  
MAJOR, MARKOSEK, MATZIE, McNEILL, MIHALEK, MILLARD, NEILSON,  
O'MARA, O'NEAL, PENNYCUICK, PICKETT, POLINCHOCK, RIGBY,  
ROTHMAN, SAINATO, SCHWEYER, SOLOMON AND THOMAS,  
JANUARY 11, 2022

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REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, JANUARY 11, 2022

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AN ACT

1 Amending the act of December 14, 1988 (P.L.1192, No.147),  
2 entitled "An act requiring municipal retirement systems to  
3 pay special ad hoc postretirement adjustments to certain  
4 retired police officers and firefighters; providing for the  
5 financing of these adjustments; providing for the  
6 administration of the Commonwealth's reimbursements for these  
7 adjustments; and making repeals," providing for 2022 special  
8 ad hoc municipal police postretirement adjustment; in  
9 financing of special ad hoc adjustment, further providing for  
10 reimbursement by Commonwealth for 2002 special ad hoc  
11 adjustment; and, in administrative provisions, further  
12 providing for municipal retirement system certification of  
13 adjustments paid and of reimbursable amounts and for  
14 municipal receipt of reimbursable payment.

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

17 Section 1. The act of December 14, 1988 (P.L.1192, No.147),  
18 known as the Special Ad Hoc Municipal Police and Firefighter  
19 Postretirement Adjustment Act, is amended by adding a chapter to  
20 read:

21 CHAPTER 4-A

1                   2022 SPECIAL AD HOC MUNICIPAL POLICE

2                   POSTRETIREMENT ADJUSTMENT

3 Section 401-A. Entitlement to 2023 special ad hoc  
4 postretirement adjustment.

5 A municipal retirement system shall pay a retired police  
6 officer a special ad hoc postretirement adjustment under this  
7 chapter if all of the following apply:

8           (1) The retiree has terminated active employment with  
9 the municipality as a police officer.

10           (2) The retiree is receiving a retirement benefit from a  
11 municipal retirement system on the basis of active employment  
12 with the municipality as a police officer.

13           (3) The retiree began receiving the retirement benefit  
14 before January 1, 2018.

15 Section 402-A. Amount of 2023 special ad hoc postretirement  
16 adjustment.

17           (a) General rule.--Except as provided in subsections (b) and  
18 (c), a municipal retirement system shall pay a retired police  
19 officer a monthly special ad hoc postretirement adjustment under  
20 section 401-A that shall be calculated as follows:

21           (1) The base adjustment shall be determined by  
22 multiplying 20¢ by the years of service and then multiplying  
23 that product by the years on retirement.

24           (2) The longevity factor shall be determined as the sum  
25 of the products calculated by multiplying 0.025 by the years  
26 on retirement and 0.05 by the years on retirement in excess  
27 of 25, if any.

28           (3) The longevity adjustment shall be determined by  
29 multiplying the base adjustment calculated under paragraph  
30 (1) by the longevity factor calculated under paragraph (2).



1 Pension Plan Funding Standard and Recovery Act, the Auditor  
2 General shall determine the Commonwealth reimbursement  
3 payable to the municipality representing the amortization  
4 contribution requirement attributable to the special ad hoc  
5 postretirement adjustment under [Chapter 4] Chapters 4 and 4-  
6 A that was paid with revenues of the municipality other than  
7 general municipal pension system State aid provided under the  
8 Municipal Pension Plan Funding Standard and Recovery Act.

9 (2) The determination of the reimbursable amount of the  
10 amortization contribution requirement attributable to the  
11 special ad hoc postretirement adjustment under [Chapter 4]  
12 Chapters 4 and 4-A in any year shall be calculated as the  
13 amortization contribution requirement attributable to the  
14 special ad hoc postretirement adjustments under [Chapter 4]  
15 Chapters 4 and 4-A and reflected in the determination of the  
16 financial requirements of the pension plan under Chapter 3 of  
17 the Municipal Pension Plan Funding Standard and Recovery Act  
18 for the immediate prior year less the product of that  
19 amortization contribution requirement multiplied by the ratio  
20 of the amount of general municipal pension system State aid  
21 allocated to the retirement system in the immediate prior  
22 year to the total amount of municipal contributions made to  
23 the retirement system from all sources other than employee  
24 contributions in the immediate prior year. Where a  
25 municipality has issued bonds or notes to fund an unfunded  
26 actuarial accrued liability under 53 Pa.C.S. Pt. V Subpt. B  
27 (relating to indebtedness and borrowing) or under other laws  
28 applicable to the municipality, the general municipal pension  
29 system State aid and municipal contributions used by the  
30 municipality to make debt service payments on the bonds or

1 notes, or both, issued to fund an unfunded actuarial accrued  
2 liability shall be included in the calculation of the ratio  
3 applied to the amortization contribution requirement.

4 (3) The Commonwealth shall reimburse a municipality,  
5 from the special account established under section 701, for  
6 the reimbursable amount determined for each year under this  
7 paragraph.

8 (b) Limitation of eligibility.--

9 (1) The Commonwealth shall not reimburse any  
10 municipality for a special ad hoc adjustment paid under  
11 [Chapter 4] Chapters 4 and 4-A if the information required  
12 under section 901(a)(2) either was not certified to the  
13 Auditor General or was certified after April 1 of the year  
14 the certification was due.

15 (2) The Commonwealth shall not reimburse a municipality  
16 for the reimbursable amount of the amortization contribution  
17 requirement attributable to the special ad hoc postretirement  
18 adjustment under [Chapter 4] Chapters 4 and 4-A if the  
19 municipality fails to submit a complete certification of the  
20 reimbursable amount of the amortization contribution  
21 requirement determined under subsection (a) to the Auditor  
22 General before April 1 of the year in which the reimbursement  
23 is payable.

24 (c) Variable definition of amortization contribution  
25 requirement.--For purposes of this section, the term  
26 "amortization contribution requirement" shall have the meaning  
27 specified in this subsection as follows:

28 (1) In a municipal pension plan with defined benefits  
29 for which the municipality determines the financial  
30 requirements of the pension plan under section 302 of the

1 Municipal Pension Plan Funding Standard and Recovery Act, the  
2 term "amortization contribution requirement" shall mean the  
3 amortization contribution requirement attributable to the  
4 special ad hoc postretirement adjustments under [Chapter 4]  
5 Chapters 4 and 4-A that was reflected in the financial  
6 requirements of the pension plan determined for the immediate  
7 prior year.

8 (2) In a municipal pension plan without defined benefits  
9 for which the municipality determines the financial  
10 requirements of the pension plan under section 303 of the  
11 Municipal Pension Plan Funding Standard and Recovery Act, the  
12 term "amortization contribution requirement" shall mean the  
13 sum of the payments made to the retirement system in the  
14 immediate prior year in order to provide the special ad hoc  
15 postretirement adjustments under [Chapter 4] Chapters 4 and  
16 4-A in that year.

17 Section 901. Municipal retirement system certification of  
18 adjustments paid and of reimbursable amounts.

19 (a) Certification.--

20 \* \* \*

21 (2) Beginning in the year 2002, a municipality with a  
22 retirement system that pays a special ad hoc postretirement  
23 adjustment under [Chapter 4] Chapters 4 and 4-A in a year  
24 shall certify its reimbursable amount under section 502.1(a)  
25 to the Auditor General not later than April 1 of the  
26 following year.

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28 Section 903. Municipal receipt of reimbursement payment.

29 \* \* \*

30 (b) 2002 or 2023 postretirement adjustment reimbursement.--

1 Upon receipt of the reimbursement payment from the Commonwealth  
2 for the postretirement adjustments under [Chapter 4] Chapters 4  
3 and 4-A, the treasurer of the municipality shall deposit the  
4 reimbursement payment into the municipality's general fund.

5 Section 3. The special ad hoc postretirement adjustment  
6 under section 401-A shall take effect on the date of the first  
7 retirement benefit made after January 1, 2023. If the special ad  
8 hoc postretirement adjustment under section 401-A is not  
9 included in the initial retirement benefit payment occurring  
10 after January 1, 2023, the special ad hoc postretirement  
11 adjustment shall be included as soon as practicable in the  
12 retirement benefit payment of the retiree, and the initial  
13 retirement benefit payment that includes the special ad hoc  
14 postretirement adjustment shall also include the total amount of  
15 the special ad hoc postretirement adjustments previously omitted  
16 from the retirement benefit payments made after January 1, 2023.

17 Section 4. This act shall take effect immediately.