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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 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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REFERRED TO COMMITTEE ON URBAN AFFAIRS, APRIL 3, 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  
18 mayor, the city controller, the director of finance, two

1 employees to be chosen by the employees contributing to the  
2 retirement fund, a retired city employee chosen by the  
3 association of retired city employees and, if members of council  
4 participate in the retirement fund and are members of the fund,  
5 a member of council, chosen by council. It shall be the duty of  
6 said board to register all persons employed by the said city,  
7 and to administer the collections and distribution of the fund,  
8 herein provided for, and make such reasonable rules in the  
9 premises as such board may deem necessary to carry into effect  
10 the provisions of this act.

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

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

24 (b) The board may recommend the increase described in  
25 subsection (a) to the city council at any time. Provided that  
26 the provisions of section 305 of the act of December 18, 1984  
27 (P.L.1005, No.205), known as the "Municipal Pension Plan Funding  
28 Standard and Recovery Act," have been satisfied, the council  
29 may, by ordinance, approve this increase subject, however, to  
30 the approval of the mayor.

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