

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1229 Session of
1995

INTRODUCED BY ROBERTS, MUNDY, JAROLIN, PESCI, TRELLO, ITKIN,
THOMAS, JOSEPHS, LAUGHLIN AND MICHLOVIC, MARCH 20, 1995

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, MARCH 20, 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 the
12 computation of pension benefits.

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

15 Section 1. Section 5 of the act of May 29, 1956 (1955
16 P.L.1804, No.600), referred to as the Municipal Police Pension
17 Law, amended December 7, 1979 (P.L.475, No.99), is amended to
18 read:

19 Section 5. Payments made under the provisions of this act
20 shall not be a charge on any other fund in the treasury of any
21 borough, town or township, or under its control, save the police
22 pension fund herein provided for. The basis for determining any

1 pension payable under this act, following retirement of any
2 member of the force meeting the service and age qualifications
3 of the ordinance or resolution establishing a police pension
4 fund, shall be as follows:

5 Monthly pension or retirement benefits other than length of
6 service increments shall be computed at no less than one-half
7 the monthly average salary of such member during not more than
8 the last sixty nor less than the last thirty-six months of
9 employment. Such pension or retirement benefits for any month
10 shall be computed as the sum of (i) any pension benefits from
11 pension plans heretofore established by a private organization
12 or association for the members of the police force but only to
13 the extent that this Commonwealth or any of its municipalities
14 shall have contributed to such pension plan moneys raised by
15 taxation, (ii) if positions covered by the fund are included in
16 an agreement under the Federal Social Security Act, up to
17 seventy-five per centum of his full social security old-age
18 insurance benefit calculated in accordance with the provisions
19 of the Federal Social Security Act in effect on the date of his
20 termination of employment, except that such amount shall be
21 included only upon attainment of the age at which the officer
22 would be eligible to receive full social security old-age
23 insurance benefits and in determining such eligibility and such
24 amount only compensation for services actually rendered by the
25 officer and covered by the police pension fund shall be
26 included, and (iii) benefits from the police pension fund
27 established pursuant to this act to the extent necessary to
28 bring the total benefits in any month [up] to no less than one-
29 half the aforesaid monthly average salary: Provided, however,
30 That any officer who receives pension or retirement benefits

1 from any plan established at any time pursuant to this act and
2 who is also entitled to receive social security old-age
3 insurance benefits shall not regardless of when the officer
4 retired from active service have his pension or retirement
5 benefits offset or reduced by more than seventy-five per centum
6 of the social security old-age insurance benefits which he
7 receives. If this Commonwealth or one of its municipalities
8 shall have contributed moneys raised by taxation to a pension
9 plan established by a private organization or association for
10 the members of the police force, the pension benefits to be
11 taken into account under clause (i) of this paragraph shall be
12 that proportion of the total pension benefits payable under
13 clause (i) as the assets attributable to contributions of moneys
14 raised by taxation bear to the total assets of the pension plan.
15 In the case of the payment of pensions for permanent injuries
16 incurred in service and to families of members killed in
17 service, the amount and commencement of the payments shall be
18 fixed by regulations of the governing body of the borough, town
19 or township. Any borough, town or township may establish and pay
20 length of service increments for years of service beyond twenty-
21 five years for each completed year of service in excess of
22 twenty-five years, not to exceed one hundred dollars (\$100).
23 Such length of service increments may be paid in addition to
24 other monthly pension or retirement allowances.

25 The ordinance or resolution establishing the police pension
26 fund or an amendment to the ordinance or resolution may in the
27 sole discretion of the municipality provide for a monthly
28 pension or retirement benefit up to seventy-five per centum of
29 the monthly average salary of such member during not more than
30 the last sixty or less than the last thirty-six months of

1 employment: Provided, That such monthly pension or retirement
2 benefit would not impair the actuarial soundness of the pension
3 fund.

4 The ordinance or resolution establishing the police pension
5 fund may provide for a cost of living increase for members of
6 the police force receiving retirement benefits: Provided,
7 however, That such cost of living increase shall not exceed the
8 percentage increase in the Consumer Price Index from the year in
9 which the police member last worked: Provided further, That in
10 no case shall the total police pension benefits exceed seventy-
11 five per centum of the salary for computing retirement benefits:
12 And provided further, That the total cost of living increase
13 shall not exceed thirty per centum. No cost of living increase
14 shall be granted which would impair the actuarial soundness of
15 the pension fund.

16 The ordinance or resolution establishing the police pension
17 fund may provide for a vested benefit provided that such would
18 not impair the actuarial soundness of the pension fund. Under
19 the provisions of such benefit, should a police officer, before
20 completing superannuation retirement age and service
21 requirements but after having completed twelve years of total
22 service, for any reason cease to be employed as a full-time
23 police officer by the municipality in whose pension fund he has
24 been a member, he shall be entitled to vest his retirement
25 benefits by filing with the governing body within ninety days of
26 the date he ceases to be a full-time police officer a written
27 notice of his intention to vest. Upon reaching the date which
28 would have been his superannuation retirement date if he had
29 continued to be employed as a full-time police officer he shall
30 be paid a partial superannuation retirement allowance determined

1 by applying the percentage his years of service bears to the
2 years of service which he would have rendered had he continued
3 to work until his superannuation retirement date to the gross
4 pension, using however the monthly average salary during the
5 appropriate period prior to his termination of employment. Such
6 pension or retirement benefits for any month shall be the sum of
7 clauses (i), (ii) and (iii) of such benefits from the police
8 pension fund established pursuant to this act to the extent
9 necessary to bring the total benefits in any month up to his
10 partial superannuation retirement allowance outlined above.

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