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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1237 Session of  
1991

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INTRODUCED BY VAN HORNE AND HECKLER, APRIL 22, 1991

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REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, APRIL 22, 1991

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AN ACT

1 Amending the act of August 1, 1975 (P.L.169, No.87), entitled  
2 "An act relating to pensions for employees of the City of  
3 Pittsburgh," further providing for the contribution rate of  
4 members and contributions by the city; and requiring the  
5 board to retain an actuary.

6 The General Assembly of the Commonwealth of Pennsylvania  
7 hereby enacts as follows:

8 Section 1. The definition of "contribution rate" in section  
9 1 of the act of August 1, 1975 (P.L.169, No.87), entitled "An  
10 act relating to pensions for employees of the City of  
11 Pittsburgh," is amended to read:

12 Section 1. Definitions.--The following terms shall have the  
13 following respective meanings for the purposes of this act,  
14 unless a different meaning is plainly required by the context.

15 \* \* \*

16 "Contribution rate." [Five percent.] Except to the extent  
17 that section 607(c) of the act of December 18, 1984 (P.L.1005,  
18 No.205), known as the "Municipal Pension Plan Funding Standard  
19 and Recovery Act," applies, 5%.

1 \* \* \*

2 Section 2. Sections 2(e), 4(a), (b), (e) and (i) and 5 of  
3 the act are amended to read:

4 Section 2. Administration.--\* \* \*

5 (e) The members of the board may rely upon tables,  
6 valuations and reports furnished by qualified professional  
7 consultants. The board shall retain an approved actuary within  
8 the meaning of that term pursuant to the act of December 18,  
9 1984 (P.L.1005, No.205), known as the "Municipal Pension Plan  
10 Funding Standard and Recovery Act," who shall assist the chief  
11 administrative officer of the pension plan and of the city in  
12 the preparation of actuarial valuation reports pursuant to that  
13 act.

14 \* \* \*

15 Section 4. Contributions by Members.--(a) Each member of  
16 the fund who is making contributions hereunder on December 31,  
17 1974, and each employee who becomes a member on or after January  
18 1, 1975, shall contribute to the fund [5% of] an amount equal to  
19 the contribution rate applied to his salary or wages.

20 (b) Any member who retires subsequent to January 1, 1975 but  
21 prior to January 1, 1980 may elect to increase his average  
22 monthly earnings by contributing [5% of] an amount equal to the  
23 contribution rate applied to earnings in excess of \$650 per  
24 month for up to 36 months of service rendered prior to the  
25 effective date of this act.

26 \* \* \*

27 (e) Each person who becomes an employee of the city after  
28 having been employed by the city in the bureau of fire or the  
29 bureau of police, and who is not entitled to retirement benefits  
30 for such service under another retirement system and who desires

1 to have such service credited in the fund, shall be required to  
2 pay to the fund an amount equal to [5% of] the contribution rate  
3 applied to the total salary or wages received by him for each  
4 month of service for which he wishes to receive credit together  
5 with interest at the rate earned by the fund during the period  
6 of such employment. Such amount shall be deducted from the  
7 monthly salary or wages of the member over a period of two years  
8 or in such manner and period as the board may determine. Upon  
9 full payment of the amount due the member shall receive credit  
10 for said period of service. If any member shall be injured while  
11 in the actual performance of duty before he shall have made full  
12 contribution for past service, so long as the disability  
13 continues, he shall be eligible for pension under this act, but  
14 any amount which he shall not yet have paid to the fund as a  
15 contribution for past services under this section at the date of  
16 his injury shall be paid, if the board, in its discretion, shall  
17 so determine, in such monthly amounts as the board may  
18 determine, which amounts shall be deducted from his or her  
19 pension as and when monthly payments thereof shall be made.

20 \* \* \*

21 (i) Any pensioner who had less than 20 years credited  
22 service or who had elected to receive an early reduced pension  
23 and who returns to service shall start contributing at [5% of]  
24 an amount equal to the contribution rate applied to his salary  
25 or wages and shall be entitled to have his subsequent retirement  
26 pension be determined on the basis of this total service history  
27 by restoring to the fund the total of the amount received in  
28 pension payments.

29 Section 5. Contributions by the City.--(a) The public  
30 officials of the city charged with the disbursements,

1 expenditures, and appropriations, shall annually set aside,  
2 apportion, and appropriate, out of all taxes and income of the  
3 city, to the board, a sum sufficient to [maintain the pensions  
4 due under this act. If the total disbursements from the fund for  
5 the payment of pensions, refund of accumulated contributions of  
6 members, and administration expenses shall exceed in any year  
7 the total revenues of the fund from member contributions and the  
8 interest and premiums on investments and bank deposits, then the  
9 amount to be set aside, apportioned and appropriated by the  
10 public officials of the city to the fund shall not be less than  
11 the difference between the total disbursements and receipts of  
12 the fund, as aforesaid.] meet the minimum obligation of the  
13 municipality with respect to the pension plan pursuant to the  
14 act of December 18, 1984 (P.L.1005, No.205), known as the  
15 "Municipal Pension Plan Funding Standard and Recovery Act."

16 (b) Every authority or agency, whose employees are members  
17 of the fund, shall be held liable for [the amount due to the  
18 fund on account of benefits provided by this act which are paid  
19 to employees of such authority or agency: Provided, however,  
20 That where an employee of the authority or agency formerly  
21 worked for the city, the authority or agency shall be held  
22 liable for that proportionate part of the pension or other  
23 benefits paid which the authority or agency service bears to the  
24 total credited service] its proportional amount of the minimum  
25 obligation of the municipality with respect to the pension plan  
26 cited in subsection (a) as determined by the board.

27 Section 3. This act shall take effect immediately.