

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 200 Session of
2007

INTRODUCED BY EACHUS, STABACK, JAMES, BELFANTI, CALTAGIRONE,
CASORIO, DALEY, GEORGE, GIBBONS, GOODMAN, KIRKLAND, HARHAI,
HUTCHINSON, KENNEY, GRELL, LEACH, MYERS, PETRONE, PRESTON,
READSHAW, SHAPIRO, SOLOBAY, WOJNAROSKI, KORTZ AND KULA,
MAY 4, 2007

REFERRED TO COMMITTEE ON FINANCE, MAY 4, 2007

AN ACT

1 Requiring municipal retirement systems to pay ad hoc
2 postretirement adjustments to certain retired municipal
3 police officers; establishing the Ad Hoc Postretirement
4 Adjustment Account; and providing for the financing and
5 administration of municipal police officer ad hoc
6 postretirement adjustments.

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

9 CHAPTER 1

10 GENERAL PROVISIONS

11 Section 101. Short title.

12 This act shall be known and may be cited as the Municipal
13 Police Officer Ad Hoc Postretirement Adjustment Act.

14 Section 102. Definitions.

15 The following words and phrases when used in this act shall
16 have the meanings given to them in this section unless the
17 context clearly indicates otherwise:

18 "Ad hoc postretirement adjustment" or "adjustment." An

1 increase in the amount of a retirement benefit as provided for
2 under this act.

3 "Chief administrative officer." The person who has the
4 primary responsibility for the execution of the administrative
5 or management affairs of a municipal retirement system or the
6 designee of that person.

7 "Municipality." A borough, city, incorporated town or
8 township, however constituted, whether operating under a
9 legislative charter, municipal code, optional charter adopted
10 under the act of July 15, 1957 (P.L.901, No.399), known as the
11 Optional Third Class City Charter Law, a home rule charter or an
12 optional plan adopted under the former act of April 13, 1972
13 (P.L.184, No.62), known as the Home Rule Charter and Optional
14 Plans Law, or 53 Pa.C.S. Part III Subpt. E (relating to home
15 rule and optional plan government), or other arrangement or an
16 association of these municipalities cooperating under the former
17 act of July 12, 1972 (P.L.762, No. 180), referred to as the
18 Intergovernmental Cooperation Law, or 53 Pa.C.S. Ch. 23 Subch. A
19 (relating to intergovernmental cooperation).

20 "Police officer." A municipal employee who holds a full-time
21 position in the police service of a municipality and has
22 retirement coverage provided by a retirement system.

23 "Public employee retirement system." An entity, whether a
24 separate entity or part of a governmental entity, that collects
25 retirement and other employee benefit contributions from
26 government employees and employers, holds and manages the
27 resulting assets as reserves for present and future retirement
28 annuity, retirement benefit, service pension or disability
29 pension benefit payments and makes provision for these payments
30 to qualified retirees and beneficiaries.

1 "Retirement benefit." The amount paid on a regular basis to
2 a retired or disabled police officer by a municipal retirement
3 system established for police officers.

4 "Retirement system." A public employee retirement system.

5 "Special account." The Ad Hoc Postretirement Adjustment
6 Account established under Chapter 5.

7 CHAPTER 3

8 MUNICIPAL POLICE OFFICER POSTRETIREMENT ADJUSTMENT

9 Section 301. Entitlement to ad hoc postretirement adjustment.

10 A municipal retirement system shall pay a retired police
11 officer an ad hoc postretirement adjustment under this act if
12 all of the following apply:

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

15 (2) The retiree is receiving a retirement annuity,
16 retirement benefit, service pension or disability pension
17 from a municipal retirement system on the basis of active
18 employment with the municipality as a police officer.

19 (3) The retiree began receiving the retirement annuity,
20 retirement benefit, service pension or disability pension
21 benefit before January 1, 2002.

22 Section 302. Amount of ad hoc postretirement adjustment.

23 (a) General rule.--Subject to the provisions of subsection
24 (b), a municipal retirement system shall pay a retired police
25 officer an ad hoc municipal police postretirement adjustment as
26 follows:

27 (1) The sum of \$50 per month if, on January 1, 2007, the
28 retiree has been retired at least five years but less than
29 ten years.

30 (2) The sum of \$100 per month if, on January 1, 2007,

1 the retiree has been retired at least ten years but less than
2 20 years.

3 (3) The sum of \$150 per month if, on January 1, 2007,
4 the retiree has been retired at least 20 years.

5 (b) Limitation.--If, under section 301, a retiree is
6 entitled to be paid an ad hoc postretirement adjustment by more
7 than one municipal retirement system, the amount of the ad hoc
8 postretirement adjustment under subsection (a) shall be reduced
9 so that the total of all these adjustments paid to the retiree
10 does not exceed the amount specified in subsection (a).

11 Section 303. Payment of ad hoc postretirement adjustment.

12 The ad hoc postretirement adjustment is effective on the date
13 of the first payment of the retiree's retirement annuity,
14 retirement benefit, service pension or disability pension
15 benefit due after December 31, 2006. The municipal retirement
16 system shall pay this as soon as practicable after that date and
17 shall include in the first payment any omitted amount payable
18 between the effective date of the adjustment and the date of the
19 first payment.

20 Section 304. Reimbursement by Commonwealth for ad hoc
21 postretirement adjustment.

22 The Commonwealth shall reimburse from the special account for
23 the actual ad hoc postretirement adjustment paid during the
24 previous year.

25 Section 305. Municipal retirement system certification of
26 adjustments paid and of reimbursable amount.

27 (a) Duties of Auditor General.--

28 (1) No later than February 1 of the year in which the
29 form is due, the Auditor General shall send the retirement
30 system the proper form on which to make the certification.

(2) No later than February 1 of each year, the Auditor General shall send each municipality maintaining a retirement system for police officers a notice of the filing requirement for the certification of the reimbursable amount which shall include a detailed description of the formula for determining the reimbursable amount and the proper form on which to make the certifications.

(b) Duty of municipal retirement systems.--Beginning in calendar year 2007, the chief administrative officer of a municipal retirement system that pays an ad hoc postretirement adjustment in that year shall certify the total of all adjustments paid during that year to the Auditor General not later than April 1 of the following year.

Section 306. Commonwealth disbursement of reimbursement payment.

(a) Auditor General certification.--Not later than June 1 of the year in which the form is due, the Auditor General shall certify to the State Treasurer the amount to be deposited into the special account and shall submit a payment requisition to the State Treasurer requesting amounts payable to the treasurer of each municipality from the special account.

(b) Deadline for payment from treasury.--No later than September 1 of the year in which the form is due, the State Treasurer shall disburse the reimbursement payment for the ad hoc postretirement adjustments out of the special account.

Section 307. Municipal receipt of reimbursement payment.

Upon receipt of the reimbursement payment from the Commonwealth for the ad hoc postretirement adjustments, the treasurer of the municipality shall deposit the reimbursement payment into the municipality's general fund.

1 Section 308. Limitation of prior act.

2 To the extent that the ad hoc postretirement adjustment
3 granted by the Commonwealth causes the calculation of total
4 benefits to be paid to a member of a police force receiving
5 retirement benefits that exceed the limitations in the act of
6 May 29, 1956 (1955 P.L.1804, No.600), referred to as the
7 Municipal Police Pension Law, the police pension fund may exceed
8 the limitations therein provided to pay the adjustment to
9 retired or disabled members.

10 CHAPTER 5

11 SPECIAL ACCOUNT

12 Section 501. Establishment.

13 The Ad Hoc Postretirement Adjustment Account is established
14 in the Municipal Pension Aid Fund. The special account shall be
15 established as soon as practicable following the effective date
16 of this section.

17 Section 502. Deposits into special account.

18 Notwithstanding any applicable provision of the act of May
19 12, 1943 (P.L.259, No.120), referred to as the Foreign Casualty
20 Insurance Premium Tax Allocation Law, or any applicable
21 provision of the act of March 4, 1971 (P.L.6, No.2), known as
22 the Tax Reform Code of 1971, or the provisions of sections
23 402(b) and 803(c) of the act of December 18, 1984 (P.L.1005,
24 No.205), known as the Municipal Pension Plan Funding Standard
25 and Recovery Act, prior to the deposit of the proceeds of the
26 insurance premium tax on foreign casualty insurance premiums
27 into the General Municipal Pension System State Aid Program
28 revenue account, an amount sufficient to provide for the
29 Commonwealth's reimbursement payments and reimbursable amounts
30 to municipalities for adjustments under this act shall be

1 deposited in the separate account established under section 501.

2 CHAPTER 7

3 MISCELLANEOUS PROVISIONS

4 Section 701. Repeals.

5 All acts and parts of acts are repealed insofar as they are
6 inconsistent with this act.

7 Section 702. Effective date.

8 This act shall take effect in 60 days.