

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2712 Session of
2008

INTRODUCED BY FREEMAN, BOYD, BRENNAN, DALEY, DALLY, DePASQUALE,
FRANKEL, GEORGE, GOODMAN, GRUCELA, HARHAI, HARKINS,
HENNESSEY, HORNAMAN, JAMES, KULA, LONGIETTI, MARSICO, McCALL,
MYERS, M. O'BRIEN, O'NEILL, PASHINSKI, READSHAW, SIPTROTH,
K. SMITH, SOLOBAY, SURRA, THOMAS AND WOJNAROSKI,
JULY 14, 2008

REFERRED TO COMMITTEE ON FINANCE, JULY 14, 2008

AN ACT

1 Amending the act of May 29, 1956 (1955 P.L.1804, No.600),
2 entitled, as amended, "An act providing for the establishment
3 of police pension funds or pension annuities in certain
4 boroughs, towns and townships; authorizing the establishment
5 of police pension funds or pension annuities by regional
6 police departments; providing for the regulation and
7 maintenance of police pension funds or pension annuities;
8 providing for an actuary; continuance of existing funds or
9 transfer thereof to funds herein established; prescribing
10 rights of beneficiaries; contributions by members; providing
11 for expenses of administration; continuation of existing
12 authority to provide annuity contracts; credit for military
13 service; refunds; exempting allowances from judicial process;
14 and repealing certain acts," further providing for the
15 calculation of cost-of-living increases.

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

18 Section 1. Section 5(g) of the act of May 29, 1956 (1955
19 P.L.1804, No.600), referred to as the Municipal Police Pension
20 Law, amended February 18, 1998 (P.L.155, No.24), is amended to
21 read:

22 Section 5. * * *

1 (g) (1) The ordinance or resolution establishing the police
2 pension fund may provide for a cost of living increase for
3 members of the police force receiving retirement benefits. The
4 cost of living increase shall not exceed the percentage increase
5 in the Consumer Price Index from the year in which the police
6 member last worked, shall not cause the total police pension
7 benefits to exceed seventy-five per centum of the salary for
8 computing retirement benefits and shall not cause the total cost
9 of living increase to exceed thirty per centum. No cost of
10 living increase shall be granted which would impair the
11 actuarial soundness of the pension fund.

12 (2) (i) Subject to the limitations in clause (ii), if the
13 assets of the police pension fund exceed the present value of
14 future benefits as reported in the last actuarial valuation
15 report filed with the Public Employee Retirement Commission
16 under the act of December 18, 1984 (P.L.1005, No.205), known as
17 the "Municipal Pension Plan Funding Standard and Recovery Act,"
18 a cost of living increase for members of the police force
19 receiving retirement benefits for twenty or more years may be
20 provided in excess of the limits herein prescribed.

21 (ii) If the total benefits to be paid to a retired member
22 from the police pension fund exceed ten thousand dollars
23 (\$10,000) a year, then the police pension fund shall not pay
24 benefits to a retired member in excess of one hundred per centum
25 of the retired member's average compensation based on the
26 monthly average salary of such member based on the member's last
27 thirty-six months of employment or as defined in section 415 of
28 the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C.
29 § 415) or in any successor statute, whichever calculation
30 produces the higher benefit to a retired member under this

1 section.

2 * * *

3 Section 2. This act shall take effect immediately.