

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2887 Session of
1986

INTRODUCED BY CAWLEY AND BELARDI, NOVEMBER 19, 1986

REFERRED TO COMMITTEE ON URBAN AFFAIRS, NOVEMBER 19, 1986

AN ACT

1 Amending the act of May 7, 1965 (P.L.48, No.38), entitled "A
2 supplement to the act of May 28, 1915 (P.L.596), entitled 'An
3 act requiring cities of the second class to establish a
4 pension fund for employes of said cities, and regulating the
5 administration and the payment of such pensions,' as to
6 employes of second class A cities, reducing the number of
7 years of employment to qualify for a pension; and increasing
8 pension payments and contributions," increasing the maximum
9 pension and the maximum contribution rates.

10 The General Assembly of the Commonwealth of Pennsylvania
11 hereby enacts as follows:

12 Section 1. Section 2(a) of the act of May 7, 1965 (P.L.48,
13 No.38), entitled "A supplement to the act of May 28, 1915
14 (P.L.596), entitled 'An act requiring cities of the second class
15 to establish a pension fund for employes of said cities, and
16 regulating the administration and the payment of such pensions,'
17 as to employes of second class A cities, reducing the number of
18 years of employment to qualify for a pension; and increasing
19 pension payments and contributions," amended July 17, 1970
20 (P.L.494, No.172), is amended to read:

21 Section 2. (a) During the lifetime of the said person, he

1 or she shall be entitled to receive a pension from the fund set
2 aside for the purpose, at a rate equal to seventy-five per
3 centum of the amount which would constitute the average rate of
4 pay received during the last five years of his or her employment
5 by the said city, payable monthly, but in no case shall the
6 pension payable to any one payable employe exceed two hundred
7 fifty dollars (\$250) a month or three hundred fifty dollars
8 (\$350) if a city of the second class A adopts an ordinance
9 authorizing the increased amount. Such pension shall be payable
10 to any person so employed for fifteen years or more by the city
11 when such person shall attain the age of fifty-five years;
12 should any person so employed, after fifteen years of service,
13 voluntarily retire, be dismissed, or be in any way deprived of
14 his or her employment with the city before attaining the age of
15 fifty-five years, he or she shall be entitled to the pension
16 after retirement upon continuing a monthly payment to the fund
17 equal to the last amount due and payable while in active
18 service. If any pension be granted to a person who has not been
19 a contributor to the pension fund as herein provided for the
20 period of twenty years but has contributed for at least fifteen
21 years, such person shall be required to pay unto the board of
22 pensions an amount equal to three per centum of the last monthly
23 salary paid to such person, but not in excess of [six dollars
24 (\$6)] twelve dollars (\$12) per month, multiplied by the number
25 of months necessary to complete the twenty-year period, with
26 interest, or in the alternative, after so computing the amount
27 needed to complete the twenty-year period, the board may
28 withhold the payment of pension until such amount has been
29 refunded to the board of pensions.

30 * * *

1 Section 2. Section 3 of the act is amended to read:

2 Section 3. The city employes and contributing members to the
3 fund shall after the passage of this act pay unto the board of
4 pensions monthly an amount equal to three per centum of their
5 monthly salaries or wages, in no event, however, paying at a
6 rate greater than [six dollars (\$6)] twelve dollars (\$12) a
7 month, which shall be applied to the purpose of this act.

8 Payment of the monthly amount or contribution herein mentioned
9 shall cease and be discontinued at the time the beneficiary

10 receives the pension herein provided, except for contributions
11 required to be made to complete a twenty-year period of

12 contribution, as provided in subsections (a) and (b) of section

13 2 of this act. If for any cause an employe contributing to the

14 pension fund shall cease to be an employe of any such city of

15 the second class A before said employe becomes entitled to the

16 pensions conferred by this act, the total amount of the

17 contributions paid into the pension fund by such employe shall

18 be refunded to him or her in full, without interest; provided,

19 however, if any such employe shall have returned to him or her

20 the amount contributed as aforesaid and shall afterward re-enter

21 the employ of such city, said employe shall not be entitled to

22 the pension designated until twenty years after said re-

23 employment unless he or she shall return to the pension fund the

24 amount withdrawn, plus interest, in which event the period of

25 twenty years shall be computed from the time said employe first

26 entered the service of said city. In the event of the death of

27 any such employe before the said employe becomes entitled to the

28 pension aforesaid, the said total amount of contributions

29 aforesaid shall be paid over to the estate of the said deceased

30 employe or his or her designated beneficiary. In the event of

1 the death of any employe collecting the pension aforesaid, the
2 total amount of contributions over and above that paid to the
3 deceased employe shall be paid over to the estate of the said
4 deceased employe, or his or her designated beneficiary.

5 Section 3. The provisions of section 1 shall apply to all
6 persons retiring on or after January 1, 1987.

7 Section 4. This act shall take effect in 60 days.