

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## HOUSE BILL

No. 251

Session of  
1987

INTRODUCED BY CAWLEY AND BELARDI, FEBRUARY 9, 1987

AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF  
REPRESENTATIVES, AS AMENDED, JUNE 22, 1987

## 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:

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

1       \* \* \*

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

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

9 Payment of the monthly amount or contribution herein mentioned  
10 shall cease and be discontinued at the time the beneficiary  
11 receives the pension herein provided, except for contributions  
12 required to be made to complete a twenty-year period of  
13 contribution, as provided in subsections (a) and (b) of section  
14 2 of this act. If for any cause an employe contributing to the  
15 pension fund shall cease to be an employe of any such city of  
16 the second class A before said employe becomes entitled to the  
17 pensions conferred by this act, the total amount of the  
18 contributions paid into the pension fund by such employe shall  
19 be refunded to him or her in full, without interest; provided,  
20 however, if any such employe shall have returned to him or her  
21 the amount contributed as aforesaid and shall afterward re-enter  
22 the employ of such city, said employe shall not be entitled to  
23 the pension designated until twenty years after said re-  
24 employment unless he or she shall return to the pension fund the  
25 amount withdrawn, plus interest, in which event the period of  
26 twenty years shall be computed from the time said employe first  
27 entered the service of said city. In the event of the death of  
28 any such employe before the said employe becomes entitled to the  
29 pension aforesaid, the said total amount of contributions  
30 aforesaid shall be paid over to the estate of the said deceased

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

6 Section 3. The provisions of section 1 of this act shall  
7 apply to all persons retiring on or after January 1, ~~1987~~ 1979. <—

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