

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 1221 Session of
1991

INTRODUCED BY VAN HORNE AND HECKLER, APRIL 22, 1991

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, APRIL 22, 1991

AN ACT

1 Amending the act of February 1, 1966 (1965 P.L.1656, No.581),
2 entitled "An act concerning boroughs, and revising, amending
3 and consolidating the law relating to boroughs," further
4 providing for compensation for certain aged employees; and
5 providing for funding of police pensions.

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

8 Section 1. Sections 1105 and 1134 of the act of February 1,
9 1966 (1965 P.L.1656, No.581), known as The Borough Code, are
10 amended to read:

11 Section 1105. Compensation to Aged Employees.--By ordinance a
12 borough may provide for compensation to appointees and employes
13 of not less than ten years of satisfactory service, and who are
14 not less than sixty years of age, upon termination of active
15 employment with the borough a proportion of the compensation
16 last paid to them but not in excess of fifty percent thereof,
17 including benefits received under the social security act, if
18 any, as fixed in said ordinance or amendment thereto. Any
19 arrangement to provide post-retirement compensation to aged

1 appointees and employes pursuant to this section shall be a
2 pension plan within the meaning of that term pursuant to the act
3 of December 18, 1984 (P.L.1005, No.205), known as the "Municipal
4 Pension Plan Funding Standard and Recovery Act," and the borough
5 establishing that plan shall provide funding of that pension
6 plan in an amount sufficient to meet the minimum obligation of
7 the municipality with respect to the pension plan pursuant to
8 that act. The expenditures herein authorized shall be paid out
9 of the general tax levy for the current expenditures of the
10 year, and not by any special tax therefor. Nothing herein shall
11 preclude any appointee or employe of the borough from joining in
12 any pension system or municipal retirement system that the
13 borough may adopt. The true intent and purpose hereof is to
14 permit boroughs, without exceeding the present general tax
15 limitation, to pay to servants in their employ who are too old
16 to advantageously join any pensioning or retirement system, a
17 reasonable annuity in lieu of joining a pensioning or retirement
18 system.

19 Section 1134. Pensions Not to be Charged on Other Funds;
20 Pension Plan Funding.--(a) Payments made on account of police
21 pensions shall be a charge on no fund in the treasury of the
22 borough, or under its control, other than the police pension
23 fund.

24 (b) The borough establishing a police pension fund by
25 ordinance pursuant to this act shall provide, from any available
26 borough revenue source, funding of that police pension fund in
27 an amount sufficient to meet the minimum obligation of the
28 municipality with respect to the pension fund pursuant to the
29 act of December 18, 1984 (P.L.1005, No.205), known as the
30 "Municipal Pension Plan Funding Standard and Recovery Act."

1 Section 2. This act shall take effect immediately.