

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**SENATE BILL****No. 1314** Session of  
2000

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INTRODUCED BY HOLL, TOMLINSON, SALVATORE, GREENLEAF, COSTA,  
KUKOVICH, TILGHMAN, LEMMOND, PUNT AND BOSCOLA,  
FEBRUARY 29, 2000

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SENATOR HART, FINANCE, AS AMENDED, OCTOBER 4, 2000

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## 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 benefits.

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

17 Section 1. Section 1 of the act of May 29, 1956 (1955  
18 P.L.1804, No.600), referred to as the Municipal Police Pension  
19 Law, amended May 10, 1996 (P.L.162, No.33), is amended to read:

20 Section 1. (a) (1) Each borough, town and township of this  
21 Commonwealth maintaining a police force of three or more full-  
22 time members and each regional police department shall, and all  
23 other boroughs, towns or townships may, establish, by ordinance

1 or resolution, a police pension fund or pension annuity to be  
2 maintained by a charge against each member of the police force,  
3 by annual appropriations made by the borough, town, township or  
4 regional police department, by payments made by the State  
5 Treasurer to the municipal treasurer from the moneys received  
6 from taxes paid upon premiums by foreign casualty insurance  
7 companies for purposes of pension retirement for policemen, and  
8 by gifts, grants, devises or bequests granted to the pension  
9 fund pursuant to section two of this act.

10 (2) Such fund shall be under the direction of the governing  
11 body of the borough, town, township or regional police  
12 department, and applied under such regulations as such governing  
13 body, by ordinance or resolution, [may] shall prescribe for the  
14 benefit of such members of the police force as shall receive  
15 honorable discharge therefrom by reason of age and service, or  
16 disability, and [may] shall prescribe for the benefit (i) of  
17 widows, and if no widow survives or if she survives and  
18 subsequently dies [or remarries], then (ii) of child or children  
19 under the age of eighteen years or if attending college, under  
20 the age of twenty-three years, of members of the police force or  
21 of members retired on pension. FOR PURPOSES OF IMPLEMENTING THIS <—  
22 SECTION, AS WELL AS SUBSECTION (A)(5), THE PHRASE "ATTENDING  
23 COLLEGE" SHALL MEAN THAT THE ELIGIBLE CHILDREN ARE REGISTERED AT  
24 AN ACCREDITED INSTITUTION OF HIGHER LEARNING AND ARE CARRYING A  
25 MINIMUM COURSE LOAD OF SEVEN CREDIT HOURS PER SEMESTER.

26 (3) All such pensions as shall be allowed to those who are  
27 retired by reason of disabilities shall be in conformity with a  
28 uniform scale.

29 (4) The widow of a member of the police force ~~or the widow~~ <—  
30 ~~of a member who was eligible for a pension but had not begun~~

1 ~~collecting a pension~~ or a member who retires on pension who dies  
2 or if no widow survives or if she survives and subsequently dies  
3 {for remarries}, then the child or children under the age of <—  
4 eighteen years ~~or if attending college, under the age of twenty~~ <—  
5 ~~three years,~~ of a member of the police force or a member who  
6 retires on pension who dies on or after {the effective date of <—  
7 this amendment, [may] ~~June 23, 1970,~~ shall, during her lifetime <—  
8 {for so long as she does not remarry} in the case of a widow or <—  
9 until reaching the age of eighteen years ~~or if attending~~ <—  
10 ~~college, until reaching the age of twenty three years,~~ in the  
11 case of a child or children, be entitled to receive a pension  
12 calculated at the rate of fifty per centum of the pension the  
13 member was receiving or would have been receiving had he been  
14 ~~retired at the time of his death[.], except that if the assets~~ <—  
15 ~~of the pension fund exceed the present value of future benefits~~  
16 ~~as reported in the last actuarial valuation report filed with~~  
17 ~~the Public Employee Retirement Commission under the act of~~  
18 ~~December 18, 1984 (P.L.1005, No.205), known as the "Municipal~~  
19 ~~Pension Plan Funding Standard and Recovery Act," such~~  
20 ~~entitlement shall be calculated at one hundred per centum of the~~  
21 ~~pension the member was receiving or would have been receiving~~  
22 ~~had he been retired at the time of his death. RETIRED AT THE~~ <—  
23 ~~TIME OF HIS DEATH.~~

24 (5) THE WIDOW OF A MEMBER OF THE POLICE FORCE OR THE WIDOW  
25 OF A MEMBER WHO WAS ELIGIBLE FOR A PENSION BUT HAD NOT BEGUN  
26 COLLECTING A PENSION OR A MEMBER WHO RETIRES ON PENSION WHO DIES  
27 OR IF NO WIDOW SURVIVES OR IF SHE SURVIVES AND SUBSEQUENTLY  
28 DIES, THEN THE CHILD OR CHILDREN UNDER THE AGE OF EIGHTEEN YEARS  
29 OR IF ATTENDING COLLEGE, UNDER THE AGE OF TWENTY-THREE YEARS, OF  
30 A MEMBER OF THE POLICE FORCE OR A MEMBER WHO RETIRES ON PENSION

1 WHO DIES ON OR AFTER THE EFFECTIVE DATE OF THIS AMENDATORY ACT,  
2 SHALL, DURING HER LIFETIME IN THE CASE OF A WIDOW OR UNTIL  
3 REACHING THE AGE OF EIGHTEEN YEARS OR IF ATTENDING COLLEGE,  
4 UNTIL REACHING THE AGE OF TWENTY-THREE YEARS, IN THE CASE OF A  
5 CHILD OR CHILDREN, BE ENTITLED TO RECEIVE A PENSION CALCULATED  
6 AT THE RATE OF FIFTY PER CENTUM OF THE PENSION THE MEMBER WAS  
7 RECEIVING OR WOULD HAVE BEEN RECEIVING HAD HE BEEN RETIRED AT  
8 THE TIME OF HIS DEATH, EXCEPT THAT IF THE ASSETS OF THE PENSION  
9 FUND EXCEED THE PRESENT VALUE OF FUTURE BENEFITS AS REPORTED IN  
10 THE LAST ACTUARIAL VALUATION REPORT FILED WITH THE PUBLIC  
11 EMPLOYEE RETIREMENT COMMISSION UNDER THE ACT OF DECEMBER 18,  
12 1984 (P.L.1005, NO.205), KNOWN AS THE "MUNICIPAL PENSION PLAN  
13 FUNDING STANDARD AND RECOVERY ACT," BOTH BEFORE AND AFTER THE  
14 ACTUARY HAS COSTED OUT A JOINT AND ONE HUNDRED PER CENTUM  
15 SURVIVORSHIP RETIREMENT BENEFIT, SUCH ENTITLEMENT SHALL BE  
16 CALCULATED AT ONE HUNDRED PER CENTUM OF THE PENSION THE MEMBER  
17 WAS RECEIVING OR WOULD HAVE BEEN RECEIVING HAD HE BEEN RETIRED  
18 AT THE TIME OF HIS DEATH FOR ALL MEMBERS WHO RETIRE, OR WHO DIE  
19 BUT WERE ELIGIBLE TO RETIRE, DURING THE PERIOD THE ASSETS OF THE  
20 PENSION FUND EXCEED THE PRESENT VALUE OF FUTURE BENEFITS AS SET  
21 FORTH ABOVE.

22 ~~(5)~~ (6) The widow of a member of the police force who dies <—  
23 before his pension has vested or if no widow survives or if she  
24 survives and subsequently dies, the child or children under the  
25 age of eighteen years, or if attending college, under the age of  
26 twenty-three years, of the member of the police force shall be  
27 entitled to receive repayment of all money which the member  
28 invested in the pension fund plus interest or other increases in  
29 value of the member's investment in the pension fund, UNLESS THE <—  
30 MEMBER HAS DESIGNATED ANOTHER BENEFICIARY FOR THIS PURPOSE.

(b) For purposes of this act, the term "regional police department" shall mean a municipal police force organized and operated in combination by two or more municipalities through an intermunicipal agreement under the act of July 12, 1972 (P.L.762, No.180), referred to as the Intergovernmental Cooperation Law.

Section 2. Section 5(c) and (e) of the act, amended February 18, 1998 (P.L.158, No.24), are amended to read:

Section 5. \* \* \*

(c) Monthly pension or retirement benefits other than length of service increments shall be computed at one-half the monthly average salary of such member during not more than the last sixty nor less than the last thirty-six months of employment[.],

except that if the assets of the pension fund exceed the present value of future benefits as reported in the last actuarial valuation report filed with the Public Employee Retirement Commission under the act of December 18, 1984 (P.L.1005,

No.205), known as the "Municipal Pension Plan Funding Standard and Recovery Act," BOTH BEFORE AND AFTER THE ACTUARY HAS COSTED <—

OUT BENEFITS IN EXCESS OF THE LIMITS HEREIN PRESCRIBED, such monthly pension or retirement benefits may be computed in excess of the limits herein prescribed FOR ALL MEMBERS WHO RETIRE, OR <—

WHO DIE BUT WERE ELIGIBLE TO RETIRE, DURING THE PERIOD THE ASSETS OF THE PENSION FUND EXCEED THE PRESENT VALUE OF FUTURE BENEFITS AS SET FORTH ABOVE. PURSUANT TO THIS SECTION, THE LEVEL OF ENHANCED PENSION BENEFITS FOR PROSPECTIVE RETIREES MAY BE READJUSTED FROM VALUATION PERIOD TO VALUATION PERIOD, IF

NECESSARY, TO ENSURE THAT THE ASSETS OF THE FUND EXCEED THE PRESENT VALUE OF FUTURE BENEFITS BOTH BEFORE AND AFTER THE ACTUARY HAS COSTED OUT SUCH ENHANCED BENEFITS. Such pension or

1 retirement benefits for any month shall be computed as the sum  
2 of (1) any pension benefits from pension plans heretofore  
3 established by a private organization or association for the  
4 members of the police force but only to the extent that this  
5 Commonwealth or any of its municipalities shall have contributed  
6 to such pension plan moneys raised by taxation; (2) if positions  
7 covered by the fund are included in an agreement under the  
8 Federal Social Security Act, up to seventy-five per centum of  
9 his full social security old-age insurance benefit calculated in  
10 accordance with the provisions of the Federal Social Security  
11 Act in effect on the date of his termination of employment,  
12 except that such amount shall be included only upon attainment  
13 of the age at which the officer would be eligible to receive  
14 full social security old-age insurance benefits and in  
15 determining such eligibility and such amount only compensation  
16 for services actually rendered by the officer and covered by the  
17 police pension fund shall be included; and (3) benefits from the  
18 police pension fund established pursuant to this act to the  
19 extent necessary to bring the total benefits in any month up to  
20 one-half the aforesaid monthly average salary except that any  
21 officer who receives pension or retirement benefits from any  
22 plan established at any time pursuant to this act and who is  
23 also entitled to receive social security old-age insurance  
24 benefits shall not regardless of when the officer retired from  
25 active service have his pension or retirement benefits offset or  
26 reduced by more than seventy-five per centum of the social  
27 security old-age insurance benefits which he receives.

28 \* \* \*

29 (e) In the case of the payment of pensions for permanent  
30 injuries incurred in service and to families of members killed

1 in service, the amount and commencement of the payments shall be  
2 fixed by regulations of the governing body of the borough, town,  
3 township or regional police department[.], provided that  
4 pensions for permanent injuries INCURRED IN SERVICE shall be <—  
5 calculated at no less than fifty per centum of the member's  
6 salary at the time the disability was incurred and provided  
7 further that pensions for the families of members killed in  
8 service shall be calculated at one hundred per centum of the  
9 member's salary at the time of death.

10 \* \* \*

11 Section 3. This act shall take effect in 90 days.