

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1042 Session of
2001

INTRODUCED BY L. I. COHEN, BELARDI, BELFANTI, BROWNE, CASORIO,
M. COHEN, COLAFELLA, CRUZ, FLICK, FRANKEL, GRUCELA, HARHAI,
HENNESSEY, HORSEY, JAMES, LAUGHLIN, MANN, McILHATTAN,
McNAUGHTON, MUNDY, PETRARCA, PIPPY, READSHAW, ROBINSON,
SCHULER, SHANER, SOLOBAY, STABACK, SURRA, J. TAYLOR, THOMAS,
TIGUE, TRAVAGLIO, TRELLO, WALKO, WANSACZ, WATERS,
C. WILLIAMS, WILT, WOJNAROSKI AND YUDICHAK, MARCH 15, 2001

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, MARCH 15, 2001

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-

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

12 (2) Such fund shall be under the direction of the governing
13 body of the borough, town, township or regional police
14 department, and applied under such regulations as such governing
15 body, by ordinance or resolution, [may] shall prescribe for the
16 benefit of such members of the police force as shall receive
17 honorable discharge therefrom by reason of age and service, or
18 disability, and [may] shall prescribe for the benefit (i) of
19 widows, and if no widow survives or if she survives and
20 subsequently dies [or remarries], then (ii) of child or children
21 under the age of eighteen years or if attending college, under
22 the age of twenty-three years, of members of the police force or
23 of members retired on pension. For purposes of implementing this
24 section, as well as subsection (a)(5), the phrase "attending
25 college" shall mean that the eligible children are registered at
26 an accredited institution of higher learning and are carrying a
27 minimum course load of seven credit hours per semester.

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

1 (4) The widow of a member of the police force or a member
2 who retires on pension who dies or if no widow survives or if
3 she survives and subsequently dies or remarries, then the child
4 or children under the age of eighteen years of a member of the
5 police force or a member who retires on pension who dies on or
6 after the effective date of this amendment, [may] shall, during
7 her lifetime or so long as she does not remarry in the case of a
8 widow or until reaching the age of eighteen years in the case of
9 a child or children, be entitled to receive a pension calculated
10 at the rate of fifty per centum of the pension the member was
11 receiving or would have been receiving had he been retired at
12 the time of his death.

13 (5) The widow of a member of the police force or the widow
14 of a member who was eligible for a pension but had not begun
15 collecting a pension or a member who retires on pension who dies
16 or if no widow survives or if she survives and subsequently
17 dies, then the child or children under the age of eighteen years
18 or if attending college, under the age of twenty-three years, of
19 a member of the police force or a member who retires on pension
20 who dies on or after the effective date of this amendatory act,
21 shall, during her lifetime in the case of a widow or until
22 reaching the age of eighteen years or if attending college,
23 until reaching the age of twenty-three years, in the case of a
24 child or children, be entitled to receive a pension calculated
25 at the rate of fifty per centum of the pension the member was
26 receiving or would have been receiving had he been retired at
27 the time of his death, except that if the assets of the pension
28 fund exceed the present value of future benefits as reported in
29 the last actuarial valuation report filed with the Public
30 Employee Retirement Commission under the act of December 18,

1 1984 (P.L.1005, No.205), known as the "Municipal Pension Plan
2 Funding Standard and Recovery Act," both before and after the
3 actuary has costed out a joint and one hundred per centum
4 survivorship retirement benefit, such entitlement shall be
5 calculated at one hundred per centum of the pension the member
6 was receiving or would have been receiving had he been retired
7 at the time of his death for all members who retire, or who die
8 but were eligible to retire, during the period the assets of the
9 pension fund exceed the present value of future benefits as set
10 forth above.

11 (6) The widow of a member of the police force who dies
12 before his pension has vested or if no widow survives or if she
13 survives and subsequently dies, the child or children under the
14 age of eighteen years, or if attending college, under the age of
15 twenty-three years, of the member of the police force shall be
16 entitled to receive repayment of all money which the member
17 invested in the pension fund plus interest or other increases in
18 value of the member's investment in the pension fund, unless the
19 member has designated another beneficiary for this purpose.

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

26 Section 2. Section 5(c) and (e) of the act, amended February
27 18, 1998 (P.L.158, No.24), are amended to read:

28 Section 5. * * *

29 (c) Monthly pension or retirement benefits other than length
30 of service increments shall be computed at one-half the monthly

1 average salary of such member during not more than the last
2 sixty nor less than the last thirty-six months of employment[.],
3 except that if the assets of the pension fund exceed the present
4 value of future benefits as reported in the last actuarial
5 valuation report filed with the Public Employee Retirement
6 Commission under the act of December 18, 1984 (P.L.1005,
7 No.205), known as the "Municipal Pension Plan Funding Standard
8 and Recovery Act," both before and after the actuary has costed
9 out benefits in excess of the limits herein prescribed, such
10 monthly pension or retirement benefits may be computed in excess
11 of the limits herein prescribed for all members who retire, or
12 who die but were eligible to retire, during the period the
13 assets of the pension fund exceed the present value of future
14 benefits as set forth above. Pursuant to this section, the level
15 of enhanced pension benefits for prospective retirees may be
16 readjusted from valuation period to valuation period, if
17 necessary, to ensure that the assets of the fund exceed the
18 present value of future benefits both before and after the
19 actuary has costed out such enhanced benefits. Such pension or
20 retirement benefits for any month shall be computed as the sum
21 of (1) any pension benefits from pension plans heretofore
22 established by a private organization or association for the
23 members of the police force but only to the extent that this
24 Commonwealth or any of its municipalities shall have contributed
25 to such pension plan moneys raised by taxation; (2) if positions
26 covered by the fund are included in an agreement under the
27 Federal Social Security Act, up to seventy-five per centum of
28 his full social security old-age insurance benefit calculated in
29 accordance with the provisions of the Federal Social Security
30 Act in effect on the date of his termination of employment,

1 except that such amount shall be included only upon attainment
2 of the age at which the officer would be eligible to receive
3 full social security old-age insurance benefits and in
4 determining such eligibility and such amount only compensation
5 for services actually rendered by the officer and covered by the
6 police pension fund shall be included; and (3) benefits from the
7 police pension fund established pursuant to this act to the
8 extent necessary to bring the total benefits in any month up to
9 one-half the aforesaid monthly average salary except that any
10 officer who receives pension or retirement benefits from any
11 plan established at any time pursuant to this act and who is
12 also entitled to receive social security old-age insurance
13 benefits shall not regardless of when the officer retired from
14 active service have his pension or retirement benefits offset or
15 reduced by more than seventy-five per centum of the social
16 security old-age insurance benefits which he receives.

17 * * *

18 (e) In the case of the payment of pensions for permanent
19 injuries incurred in service and to families of members killed
20 in service, the amount and commencement of the payments shall be
21 fixed by regulations of the governing body of the borough, town,
22 township or regional police department[.], provided that
23 pensions for permanent injuries incurred in service shall be
24 calculated at no less than fifty per centum of the member's
25 salary at the time the disability was incurred and provided
26 further that pensions for the families of members killed in
27 service shall be calculated at one hundred per centum of the
28 member's salary at the time of death.

29 * * *

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