

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1361 Session of
2001

INTRODUCED BY S. H. SMITH, APRIL 25, 2001

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, APRIL 25, 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 and for payment into the fund by members.

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

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

21 Section 1. (a) (1) Each borough, town and township of this
22 Commonwealth maintaining a police force of three or more full-
23 time members and each regional police department shall, and all
24 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 prescribe for the benefit
14 of such members of the police force as shall receive honorable
15 discharge therefrom by reason of age and service, or disability,
16 and may prescribe for the benefit (i) of widows, and if no widow
17 survives or if she survives and subsequently dies [or
18 remarries], then (ii) of child or children under the age of
19 eighteen years or if attending college, under or attaining the
20 age of twenty-three years, of members of the police force or of
21 members retired on pension. For the purpose of implementing this
22 section, as well as clause (5), the phrase "attending college"
23 shall mean the eligible children are registered at an accredited
24 institution of higher learning and are carrying a minimum course
25 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 a member
30 who retires on pension who dies or if no widow survives or if

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

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

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

29 Section 2. Section 5(e) of the act, amended February 18,
30 1998 (P.L.158, No.24), is amended to read:

1 Section 5. * * *

2 (e) (1) In the case of the payment of pensions for
3 permanent injuries incurred in service [and to families of
4 members killed in service], the amount and commencement of the
5 payments shall be fixed by regulations of the governing body of
6 the borough, town, township or regional police department[.] and
7 shall be calculated at a rate no less than fifty per centum of
8 the member's salary at the time the disability was incurred,
9 provided that any member who is also entitled to receive
10 benefits for the same injuries under the Federal Social Security
11 Act shall have his disability benefits offset or reduced so that
12 he does not receive in total more than one hundred percentum of
13 the salary he received at the time the disability was incurred.

14 (2) Pensions for the families of members killed in service
15 shall be calculated at one hundred per centum of the member's
16 salary at the time of death.

17 * * *

18 Section 3. Section 6 of the act, amended May 10, 1996
19 (P.L.162, No.33), is amended to read:

20 Section 6. (a) Members shall pay into the fund, monthly, an
21 amount equal to not less than five per centum nor more than
22 eight per centum of monthly compensation. Where positions
23 covered by the fund are included in an agreement under the
24 Federal Social Security Act, members shall pay into the fund,
25 monthly, an amount determined as follows: (1) if the pension
26 plan established under the provisions of this act provides for
27 no offset under clause (2) of subsection (c) of section 5, five
28 per centum of total compensation; or (2) if such pension plan
29 provides for an offset under clause (2) of subsection (c) of
30 section 5: (i) on compensation on which social security taxes

1 are payable, at a rate calculated by subtracting from five per
2 centum the product obtained by multiplying three per centum by
3 such offset percentage; and (ii) on compensation in excess of
4 that on which social security taxes are payable, if any, five
5 per centum.

6 (b) The remainder of the needed annual contributions, as
7 determined by the actuary, shall become the obligation of the
8 borough, town, township or regional police department, and shall
9 be paid by it to the pension fund by annual appropriations.

10 (c) [If an actuarial study shows that the condition of the
11 police pension fund of any borough, town, township or regional
12 police department is such that payments into the fund by members
13 may be reduced below the minimum percentages hereinbefore
14 prescribed, or eliminated, and that if such payments are reduced
15 or eliminated contributions by the borough, town, township or
16 regional police department will not be required to keep the fund
17 actuarially sound, the] The governing body of the borough, town,
18 township or regional police department may, on an annual basis,
19 by ordinance or resolution, reduce or eliminate payments into
20 the fund by members. Except as otherwise provided in this
21 subsection, reduction or elimination of member contributions
22 shall not permit the return of contributions or any interest or
23 fund earnings to be made to members while actively employed as a
24 police officer by any borough, town or township subject to this
25 act. Where an agreement, collectively bargained or otherwise,
26 arbitration award or court decision was agreed to, issued or
27 rendered on or prior to February 23, 1994, which provided for a
28 return of contributions, with or without interest, or fund
29 earnings to members, a return of contributions, with or without
30 interest, or fund earnings shall be made to members and any such

1 return of contributions shall reduce or eliminate any
2 entitlement to refunds pursuant to section 9. No borough, town
3 or township making such return or member receiving such return
4 shall be required to restore to the fund any such contributions,
5 interest or fund earnings.

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