

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 989 Session of 2003

INTRODUCED BY CURRY, BELARDI, BELFANTI, BUNT, CASORIO, CAWLEY, COY, FLICK, GOODMAN, GRUCELA, HARHAI, JAMES, LAUGHLIN, LEWIS, McCALL, MELIO, PETRARCA, SAINATO, SHANER, SOLOBAY, STERN, TANGRETTI, WANSACZ AND YOUNGBLOOD, MARCH 26, 2003

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, MARCH 26, 2003

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," authorizing a late retirement  
 15 benefit.

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

18 Section 1. Section 5(c) of the act of May 29, 1956 (1955  
 19 P.L.1804, No.600), referred to as the Municipal Police Pension  
 20 Law, amended February 18, 1998 (P.L.158, No.24), is amended and  
 21 the section is amended by adding a subsection to read:

22 Section 5. \* \* \*

23 (c) Monthly pension or retirement benefits other than length

1 of service increments shall be computed at one-half the monthly  
2 average salary of such member during not more than the last  
3 sixty nor less than the last thirty-six months of employment.  
4 Such pension or retirement benefits for any month shall be  
5 computed as the sum of (1) any pension benefits from pension  
6 plans heretofore established by a private organization or  
7 association for the members of the police force but only to the  
8 extent that this Commonwealth or any of its municipalities shall  
9 have contributed to such pension plan moneys raised by taxation;  
10 (2) if positions covered by the fund are included in an  
11 agreement under the Federal Social Security Act, up to seventy-  
12 five per centum of his full social security old-age insurance  
13 benefit calculated in accordance with the provisions of the  
14 Federal Social Security Act in effect on the date of his  
15 termination of employment, except that such amount shall be  
16 included only upon attainment of the age at which the officer  
17 would be eligible to receive full social security old-age  
18 insurance benefits and in determining such eligibility and such  
19 amount only compensation for services actually rendered by the  
20 officer and covered by the police pension fund shall be  
21 included; and (3) benefits from the police pension fund  
22 established pursuant to this act to the extent necessary to  
23 bring the total benefits in any month up to one-half the  
24 aforesaid monthly average salary except that any officer who  
25 receives pension or retirement benefits from any plan  
26 established at any time pursuant to this act and who is also  
27 entitled to receive social security old-age insurance benefits  
28 shall not regardless of when the officer retired from active  
29 service have his pension or retirement benefits offset or  
30 reduced by more than seventy-five per centum of the social

1 security old-age insurance benefits which he receives. Optional  
2 forms of pension or retirement benefit payments, other than lump  
3 sums, may be made available, each being the actuarial equivalent  
4 of the form set forth in the actuarial valuation report filed  
5 with the Public Employee Retirement Commission that is  
6 applicable to the period and that includes the retirement date.

7 \* \* \*

8 (j) In lieu of the provisions set forth in subsection (f),  
9 the ordinance or resolution establishing the police pension fund  
10 may provide for a late retirement benefit. The late retirement  
11 benefit shall be provided to a member of the police force who  
12 terminates employment after completion of superannuation  
13 retirement age and service requirements and who files a written  
14 application for a late retirement benefit with the governing  
15 body of the municipality or regional police department. The late  
16 retirement benefit shall become effective as of the date that  
17 the application is filed with the governing body or the date  
18 that is designated in the application, whichever is later, and  
19 shall be the actuarial equivalent of a superannuation benefit  
20 calculated by: (1) applying age and service requirements which  
21 satisfy the provisions set forth in section 3 and the  
22 limitations in subsections (c) and (d), as applicable; and (2)  
23 actuarially increasing the superannuation requirement benefit to  
24 reflect that it will commence on the effective date of late  
25 retirement rather than on the date that the member completed the  
26 superannuation age and service requirements. The actuarial  
27 increase shall be calculated using the actuarial assumptions  
28 reported in the last actuarial valuation report filed with the  
29 Public Employee Retirement Commission under the act of December  
30 18, 1984 (P.L.1005, No.205), known as the "Municipal Pension

1 Plan Funding Standard and Recovery Act." If, however, it is  
2 determined to provide a greater amount than provided by the  
3 actuarial equivalent of the superannuation retirement benefit,  
4 the late retirement benefit shall be based upon the member's  
5 average salary and service as of the effective date of late  
6 retirement.

7 Section 2. This act shall take effect in 60 days.