

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**HOUSE BILL**

**No. 888**      Session of  
2007

INTRODUCED BY CASORIO, BELFANTI, BIANCUCCI, DONATUCCI, FABRIZIO,  
GEORGE, GOODMAN, GRUCELA, HARHAI, HORNAMAN, HUTCHINSON,  
KORTZ, KOTIK, MANN, McILHATTAN, MUNDY, M. O'BRIEN, PETRARCA,  
READSHAW, SAINATO, SCAVELLO, SOLOBAY, STABACK, SURRA,  
TANGRETTI, WALKO, WOJNAROSKI, YOUNGBLOOD AND PRESTON,  
MARCH 22, 2007

REFERRED TO COMMITTEE ON FINANCE, MARCH 22, 2007

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 regulating pension  
15 calculations.

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

18 Section 1. Section 1(a) of the act of May 29, 1956 (1955  
19 P.L.1804, No.600), referred to as the Municipal Police Pension  
20 Law, amended April 17, 2002 (P.L.239, No.30), is amended to  
21 read:

22 Section 1. (a) (1) Each borough, town and township of this

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

13 (2) Such fund shall be under the direction of the governing  
14 body of the borough, town, township or regional police  
15 department, and applied under such regulations as such governing  
16 body, by ordinance or resolution, may prescribe for the benefit  
17 of such members of the police force as shall receive honorable  
18 discharge therefrom by reason of age and service, or disability,  
19 and may prescribe for the benefit (i) of surviving spouses, and  
20 if no spouse survives or if he or she survives and subsequently  
21 dies, then (ii) of child or children under the age of eighteen  
22 years or, if attending college, under or attaining the age of  
23 twenty-three years, of members of the police force or of members  
24 retired on pension.

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

28 (4) The surviving spouse of a member of the police force or  
29 a member who retires on pension who dies or if no spouse  
30 survives or if he or she survives and subsequently dies, then

1 the child or children under the age of eighteen years or, if  
2 attending college, under or attaining the age of twenty-three  
3 years, of a member of the police force or a member who retires  
4 on pension who dies, shall, during her lifetime in the case of a  
5 surviving spouse or until reaching the age of eighteen years or,  
6 if attending college, under or attaining the age of twenty-three  
7 years in the case of a child or children, be entitled to receive  
8 a pension calculated at no less than [fifty] sixty per centum of  
9 the pension the member was receiving or would have been  
10 receiving had he been retired at the time of his death.

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

21 \* \* \*

22 Section 2. Section 5(c), (f) and (g)(1) of the act, amended  
23 February 18, 1998 (P.L.158, No.24) and December 22, 2005  
24 (P.L.466, No.89), are amended to read:

25 Section 5. \* \* \*

26 (c) Monthly pension or retirement benefits other than length  
27 of service increments shall be computed at one-half the monthly  
28 average salary of such member during not more than the last  
29 sixty nor less than the last [thirty-six] twenty-four months of  
30 employment. Such pension or retirement benefits for any month

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

1 for years of service beyond twenty-five years for each completed  
2 year of service in excess of twenty-five years, not to exceed  
3 one hundred dollars (\$100) per month for each completed year of  
4 service in excess of twenty-five years up to a maximum of [five  
5 hundred dollars (\$500)] six hundred dollars (\$600) per month  
6 after five completed years of service in excess of twenty-five  
7 years. Such length of service increments may be paid in addition  
8 to other monthly pension or retirement allowances.

9 (g) (1) The ordinance or resolution establishing the police  
10 pension fund may provide for a cost of living increase for  
11 members of the police force receiving retirement benefits. The  
12 cost of living increase shall not exceed the percentage increase  
13 in the Consumer Price Index from the year in which the police  
14 member last worked, shall not cause the total police pension  
15 benefits to exceed [seventy-five] eighty per centum of the  
16 salary for computing retirement benefits and shall not cause the  
17 total cost of living increase to exceed thirty per centum. No  
18 cost of living increase shall be granted which would impair the  
19 actuarial soundness of the pension fund.

20 \* \* \*

21 Section 3. This act shall take effect in 60 days.