

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 970 Session of
2007

INTRODUCED BY SIPTROTH, BELFANTI, CALTAGIRONE, FABRIZIO,
HENNESSEY, HESS, JAMES, KOTIK, SCAVELLO, SOLOBAY, THOMAS AND
YOUNGBLOOD, MARCH 29, 2007

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, MARCH 29, 2007

AN ACT

1 Amending the act of May 1, 1933 (P.L.103, No.69), entitled, as
2 reenacted and amended, "An act concerning townships of the
3 second class; and amending, revising, consolidating and
4 changing the law relating thereto," further providing for
5 compensation of supervisors and for insurance.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Sections 606(c) and 1512 of the act of May 1,
9 1933 (P.L.103, No.69), known as The Second Class Township Code,
10 reenacted and amended November 9, 1995 (P.L.350, No.60), are
11 amended to read:

12 Section 606. Compensation of Supervisors.--* * *

13 (c) In addition to the compensation authorized under this
14 section, supervisors [while in office or while in the employ of
15 the township] may be eligible for inclusion in township-paid
16 insurance plans, as follows:

17 (1) (i) Supervisors, whether or not they are employed by
18 the township, and their dependents are eligible for inclusion in
19 group life, health, hospitalization, medical service and

1 accident insurance plans paid in whole or in part by the
2 township. Their inclusion in those plans [does], whether as a
3 supervisor or as an employee, shall not require auditor approval,
4 but [does] shall require submission of a letter requesting
5 participation at a regularly scheduled meeting of the board of
6 supervisors before commencing participation. The insurance shall
7 be uniformly applicable to those covered and shall not give
8 eligibility preference to or improperly discriminate in favor of
9 supervisors. Employees who were also supervisors of the township
10 and received group life, health, hospitalization, medical
11 service or accident insurance as employees shall remain eligible
12 for the continuation of such coverage after retirement in the
13 same manner and to the extent that post-retirement coverage is
14 provided to other employees of the township under the provisions
15 of section 1512(d) of this act.

16 (ii) No policy of group life insurance shall contain any
17 provision for a cash surrender value, loan value or any other
18 benefit beyond the face amount of insurance. The policy may
19 contain a provision that when the insurance ceases because of
20 termination of employment or term of office, the person, if not
21 otherwise entitled to post-retirement coverage, is entitled to
22 have issued to him by the insurer, without evidence of
23 insurability, an individual policy of insurance on any form
24 customarily issued by the insurer at the age and for the amount
25 applied for if the amount is not in excess of the amount of life
26 insurance which ceases because of the termination and the
27 application for the individual policy is made and first premium
28 is paid to the insurer within thirty-one days after termination.

29 (1.1) Any life, health, hospitalization, medical service or
30 accident insurance coverage contract made by a township prior to

1 April 19, 2005, that includes or provides coverage for retired
2 supervisors who were employes of the township is not void or
3 unlawful because of the inclusion of the retired supervisors. No
4 penalty, assessment, surcharge, forfeiture or disciplinary
5 action may occur as a result of participation by those
6 supervisors. Any insurance benefits paid or payable to insureds
7 or their beneficiaries pursuant to such contracts are the
8 property of the insureds or their beneficiaries. All premiums
9 paid by a township pursuant to such contracts on behalf of
10 retired supervisors who were employes of the township are hereby
11 authorized.

12 (2) Any life, health, hospitalization, medical service or
13 accident insurance coverage contract made by a township between
14 January 1, 1959, and March 31, 1985, that includes or provides
15 coverage for supervisors not employed by the township is not
16 void or unlawful because inclusion of those supervisors was
17 subsequently found to be without lawful authority. No penalty,
18 assessment, surcharge, forfeiture or disciplinary action may
19 occur as a result of participation by those supervisors.
20 Insurance benefits paid or payable to insureds or their
21 beneficiaries arising out of or on account of deaths, injuries,
22 accidents or illnesses occurring before March 30, 1988, are the
23 property of the insureds or their beneficiaries.

24 (3) All payments made by a township on any group life,
25 health, hospitalization, medical service or accident insurance
26 coverage contracts on behalf of supervisors who were not
27 employes between January 1, 1959, and March 31, 1985, which
28 would have been proper but for the absence of auditor approval
29 are hereby approved. Any benefits payable to any supervisor or
30 his beneficiaries on account of those payments during that time

1 (4) The township may deduct from any compensation payable to
2 a supervisor such part of any insurance premium or charge which
3 is payable by the supervisor within the terms of the particular
4 township's insurance plan.

5 Section 1512. Insurance.--(a) The board of supervisors
6 shall secure workers' compensation insurance for its employes,
7 including volunteer firemen and volunteer ambulance and rescue
8 personnel of companies duly recognized by the township by
9 resolution, killed or injured in the course of their appointed
10 functions or while performing any other duties expressly
11 authorized by the board of supervisors.

12 (b) The board of supervisors may contract with any insurance
13 company to insure property owned by the township.

14 (c) The board of supervisors may contract with any insurance
15 company to insure any public liability of the township,
16 including insurance on every township officer, official and
17 employe for liability arising from errors and omissions in the
18 performance of their duties in the course of their employment,
19 except that liability of elected or appointed officials or
20 officers for surcharge under law shall not be affected hereby.

21 (d) The board of supervisors may contract with any insurance
22 company, nonprofit hospitalization corporation or nonprofit
23 medical service corporation to insure its supervisors under
24 section 606, employes and their dependents under a policy or
25 policies of group insurance covering life, health,
26 hospitalization, medical service or accident insurance. If
27 insurance coverage for an employe and the employe's dependents
28 is provided in accordance with this subsection, a township may
29 continue to maintain the coverage after retirement of the
30 employe, including employes who also had served as elected

1 supervisors of the township, but a township may not initiate
2 coverage for an employe after the employe's retirement. This
3 provision is subject to the following qualifications:

4 (1) Elected officials, except supervisors under section 606,
5 and appointed officials who are not employes of the township are
6 not eligible for participation in any life, health,
7 hospitalization, medical service or accident insurance coverage
8 contract paid in whole or in part by the township.

9 (2) Any insurance coverage contract made by a township
10 between January 1, 1959, and March 31, 1985, that includes or
11 provides coverage for elected officials, except under section
12 606, or appointed township officials who are not employes of the
13 township are not void or unlawful solely because the inclusion
14 of those officials was subsequently found to be without lawful
15 authority. No penalty, assessment, surcharge, forfeiture or
16 disciplinary action of any kind may occur as a result of
17 participation by those officials. Insurance benefits payable to
18 insureds or their beneficiaries arising out of or on account of
19 deaths, injuries, accidents or illnesses occurring before March
20 30, 1988, remain the property of the insureds or their
21 beneficiaries.

22 (e) The board of supervisors may contract with any insurance
23 company for the pensioning of employes and may pay part or all
24 of the premiums or charges for group pension or annuity plans.
25 This provision is subject to the following qualifications:

26 (1) The benefit coverage may be provided to supervisor-
27 employes under section 606.

28 (2) The board of supervisors may deduct from the employe's
29 pay, salary or compensation the part of the premium or charge
30 that is payable by the employe.

1 (3) Elected officials, except township supervisors under
2 section 606, and appointed township officials who are not
3 employes of the township are not eligible for participation in
4 any pension or annuity contract paid in whole or in part by the
5 township. No elected official, except under section 606, or
6 appointed township official who is not an employe of the
7 township included in a township-paid pension or annuity plan
8 made by a township between January 1, 1959, and March 31, 1985,
9 is subject to any penalty, assessment, surcharge, forfeiture or
10 disciplinary action of any kind as a result of that
11 participation. Any residual interest, value, refund of premium
12 or benefits payable on or after March 31, 1985, arising out of
13 the township-paid interest of the elected or appointed township
14 officials is the exclusive property of the township.

15 (4) If an elected official, except supervisors under section
16 606, or an appointed official who is not an employe of the
17 township personally contributed toward a township-sponsored
18 pension plan or annuity, he shall receive a refund of his total
19 contributions thereto plus any interest accumulated thereon. In
20 lieu of a refund of contributions plus accumulated interest, a
21 township official who personally contributed toward a pension or
22 annuity plan in which he participated may elect to purchase that
23 portion of his pension or annuity funded by the township. A
24 qualified actuary, who shall report his determination under the
25 act of December 18, 1984 (P.L.1005, No.205), known as the
26 "Municipal Pension Plan Funding Standard and Recovery Act,"
27 shall determine the amount the official shall pay to the
28 township to purchase the township-funded portion of the annuity
29 or pension.

30 Section 2. This act shall be retroactive to April 19, 2005.

1 Section 3. This act shall take effect immediately.