
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1379 Session of
2023

INTRODUCED BY MALAGARI, MADDEN, KULIK, VENKAT, SOLOMON, WEBSTER,
HILL-EVANS, DELLOSO, McNEILL, GUENST, KAZEEM, SANCHEZ, KHAN,
DEASY, GALLOWAY, MARSHALL, WARREN, HARKINS, STEELE, RIGBY,
PISCIOTTANO, M. MACKENZIE, R. MACKENZIE, EMRICK, D. WILLIAMS,
MATZIE, CERRATO, SHUSTERMAN, GALLAGHER AND O'MARA,
JUNE 12, 2023

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, JUNE 12, 2023

AN ACT

1 Amending the act of December 14, 1988 (P.L.1192, No.147),
2 entitled "An act requiring municipal retirement systems to
3 pay special ad hoc postretirement adjustments to certain
4 retired police officers and firefighters; providing for the
5 financing of these adjustments; providing for the
6 administration of the Commonwealth's reimbursements for these
7 adjustments; and making repeals," providing for 2024 special
8 ad hoc municipal police and firefighter postretirement
9 adjustment; in financing of special ad hoc adjustment,
10 further providing for reimbursement by Commonwealth for 2002
11 special ad hoc adjustment; and, in administrative provisions,
12 further providing for municipal retirement system
13 certification of adjustments paid and of reimbursable amounts
14 and for municipal receipt of reimbursement payment.

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

17 Section 1. The act of December 14, 1988 (P.L.1192, No.147),
18 known as the Special Ad Hoc Municipal Police and Firefighter
19 Postretirement Adjustment Act, is amended by adding a chapter to
20 read:

21 CHAPTER 4A

22 2024 SPECIAL AD HOC MUNICIPAL POLICE

1 AND FIREFIGHTER POSTRETIREMENT ADJUSTMENT

2 Section 4A01. Entitlement to 2024 special ad hoc postretirement
3 adjustment.

4 A municipal retirement system shall pay a retired police
5 officer or firefighter a special ad hoc postretirement
6 adjustment under this chapter if all of the following apply:

7 (1) The retiree has terminated active employment with
8 the municipality as a police officer or firefighter.

9 (2) The retiree is receiving a retirement benefit from a
10 municipal retirement system on the basis of active employment
11 with the municipality as a police officer or firefighter.

12 (3) The retiree began receiving the retirement benefit
13 before January 1, 2019.

14 Section 4A02. Amount of 2024 special ad hoc postretirement
15 adjustment.

16 (a) General rule.--Except as provided in subsections (b) and
17 (c), a municipal retirement system shall pay a retired police
18 officer or firefighter a monthly special ad hoc postretirement
19 adjustment under section 4A01 as follows:

20 (1) The sum of \$75 per month if, on January 1, 2024, the
21 retiree has been retired for at least five years but less
22 than 10 years.

23 (2) The sum of \$150 per month if, on January 1, 2024,
24 the retiree has been retired for least 10 years but less than
25 20 years.

26 (3) The sum of \$300 per month if, on January 1, 2024,
27 the retiree has been retired for at least 20 years.

28 (b) Limitation.--If, under section 4A01, a retiree is
29 entitled to be paid a special ad hoc postretirement adjustment
30 by more than one municipal retirement system, the amount of the

1 special ad hoc postretirement adjustment under subsection (a)
2 shall be reduced so that the total of all these adjustments paid
3 to the retiree does not exceed the amount specified in
4 subsection (a).

5 (c) Modification in amount of 2024 special ad hoc
6 postretirement adjustment.--The amount of the special ad hoc
7 postretirement adjustment calculated under subsection (a) shall
8 be reduced annually by 65% of the total amount of any
9 postretirement adjustments provided to the retiree under the
10 municipal retirement plan after January 1, 2002, and before
11 December 31, 2023, and paid in the immediately preceding year.

12 Section 2. Sections 502.1 and 901(a)(2) of the act are
13 amended to read:

14 Section 502.1. Reimbursement by Commonwealth for 2002 and 2024
15 special ad hoc [adjustment] adjustments.

16 (a) General rule.--

17 (1) Except as provided in subsection (b), beginning in
18 the year following the year in which the amortization
19 contribution requirement attributable to a special ad hoc
20 postretirement [adjustment] adjustments under [Chapter 4 is]
21 Chapters 4 and 4A are first reflected in the financial
22 requirements of the retirement system determined under
23 Chapter 3 of the act of December 18, 1984 (P.L.1005, No.205),
24 known as the Municipal Pension Plan Funding Standard and
25 Recovery Act, the Auditor General shall determine the
26 Commonwealth reimbursement payable to the municipality
27 representing the amortization contribution requirement
28 attributable to the special ad hoc postretirement
29 [adjustment] adjustments under [Chapter 4] Chapters 4 and 4A
30 that was paid with revenues of the municipality other than

1 general municipal pension system State aid provided under the
2 Municipal Pension Plan Funding Standard and Recovery Act.

3 (2) The determination of the reimbursable amount of the
4 amortization contribution requirement attributable to the
5 special ad hoc postretirement [adjustment] adjustments under
6 [Chapter 4] Chapters 4 and 4A in any year shall be calculated
7 as the amortization contribution requirement attributable to
8 the special ad hoc postretirement adjustments under [Chapter
9 4] Chapters 4 and 4A and reflected in the determination of
10 the financial requirements of the pension plan under Chapter
11 3 of the Municipal Pension Plan Funding Standard and Recovery
12 Act for the immediate prior year less the product of that
13 amortization contribution requirement multiplied by the ratio
14 of the amount of general municipal pension system State aid
15 allocated to the retirement system in the immediate prior
16 year to the total amount of municipal contributions made to
17 the retirement system from all sources other than employee
18 contributions in the immediate prior year. Where a
19 municipality has issued bonds or notes to fund an unfunded
20 actuarial accrued liability under 53 Pa.C.S. Pt. [V] VII
21 Subpt. B (relating to indebtedness and borrowing) or under
22 other laws applicable to the municipality, the general
23 municipal pension system State aid and municipal
24 contributions used by the municipality to make debt service
25 payments on the bonds or notes, or both, issued to fund an
26 unfunded actuarial accrued liability shall be included in the
27 calculation of the ratio applied to the amortization
28 contribution requirement.

29 (3) The Commonwealth shall reimburse a municipality,
30 from the special account established under section 701, for

1 the reimbursable amount determined for each year under this
2 paragraph.

3 (b) Limitation of eligibility.--

4 (1) The Commonwealth shall not reimburse any
5 municipality for a special ad hoc [adjustment] adjustments
6 paid under [Chapter 4] Chapters 4 and 4A if the information
7 required under section 901(a)(2) either was not certified to
8 the Auditor General or was certified after April 1 of the
9 year the certification was due.

10 (2) The Commonwealth shall not reimburse a municipality
11 for the reimbursable amount of the amortization contribution
12 requirement attributable to the special ad hoc postretirement
13 [adjustment] adjustments under [Chapter 4] Chapters 4 and 4A
14 if the municipality fails to submit a complete certification
15 of the reimbursable amount of the amortization contribution
16 requirement determined under subsection (a) to the Auditor
17 General before April 1 of the year in which the reimbursement
18 is payable.

19 (c) Variable definition of amortization contribution
20 requirement.--For purposes of this section, the term
21 "amortization contribution requirement" shall have the meaning
22 specified in this subsection as follows:

23 (1) In a municipal pension plan with defined benefits
24 for which the municipality determines the financial
25 requirements of the pension plan under section 302 of the
26 Municipal Pension Plan Funding Standard and Recovery Act, the
27 term "amortization contribution requirement" shall mean the
28 amortization contribution requirement attributable to the
29 special ad hoc postretirement adjustments under [Chapter 4]
30 Chapters 4 and 4A that was reflected in the financial

1 requirements of the pension plan determined for the immediate
2 prior year.

3 (2) In a municipal pension plan without defined benefits
4 for which the municipality determines the financial
5 requirements of the pension plan under section 303 of the
6 Municipal Pension Plan Funding Standard and Recovery Act, the
7 term "amortization contribution requirement" shall mean the
8 sum of the payments made to the retirement system in the
9 immediate prior year in order to provide the special ad hoc
10 postretirement adjustments under [Chapter 4] Chapters 4 and
11 4A in that year.

12 Section 901. Municipal retirement system certification of
13 adjustments paid and of reimbursable amounts.

14 (a) Certification.--

15 * * *

16 (2) Beginning in the year 2002, a municipality with a
17 retirement system that pays a special ad hoc postretirement
18 [adjustment] adjustments under [Chapter 4] Chapters 4 and 4A
19 in a year shall certify its reimbursable amount under section
20 502.1(a) to the Auditor General not later than April 1 of the
21 following year.

22 * * *

23 Section 3. Section 903 of the act is amended by adding a
24 subsection to read:

25 Section 903. Municipal receipt of reimbursement payment.

26 * * *

27 (c) 2024 postretirement adjustment reimbursement.--Upon
28 receipt of the reimbursement payment from the Commonwealth for
29 the postretirement adjustments under Chapter 4A, the treasurer
30 of the municipality shall deposit the reimbursement payment into

1 the municipality's general fund.

2 Section 4. The special ad hoc postretirement adjustment
3 under section 4A01 of the act is effective on the date of the
4 first retirement benefit made after January 1, 2024. If the
5 special ad hoc postretirement adjustment under section 4A01 of
6 the act is not included in the initial retirement benefit
7 payment occurring after January 1, 2024, the special ad hoc
8 postretirement adjustment shall be included as soon as
9 practicable in the retirement benefit payment of the retiree,
10 and the initial retirement benefit payment that includes the
11 special ad hoc postretirement adjustment also shall include the
12 total amount of the special ad hoc postretirement adjustments
13 previously omitted from the retirement benefit payments made
14 after January 1, 2024.

15 Section 5. This act shall take effect immediately.