

## No. 1979-99

## AN ACT

## SB 210

Amending the act of May 29, 1956 (1955 P.L.1804, No.600), entitled "An act providing for the establishment of police pension funds or pension annuities in certain boroughs, towns and townships, and the regulation and maintenance thereof; providing for an actuary; continuance of existing funds or transfer thereof to funds herein established; prescribing rights of beneficiaries; contributions by members; providing for expenses of administration; continuation of existing authority to provide annuity contracts; credit for military service; refunds; exempting allowances from judicial process; and repealing certain acts," further providing for benefits and providing for vesting.

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

Section 1. Section 5, act of May 29, 1956 (1955 P.L.1804, No.600), referred to as the Municipal Police Pension Law, amended April 11, 1974 (P.L.250, No.61) and September 19, 1974 (P.L.645, No.211), is amended to read:

Section 5. Payments made under the provisions of this act shall not be a charge on any other fund in the treasury of any borough, town or township, or under its control, save the police pension fund herein provided for. The basis for determining any pension payable under this act, following retirement of any member of the force meeting the service and age qualifications of the ordinance or resolution establishing a police pension fund, shall be as follows:

Monthly pension or retirement benefits other than length of service increments shall be computed at one-half the monthly average salary of such member during not more than the last sixty nor less than the last thirty-six months of employment. Such pension or retirement benefits for any month shall be computed as the sum of (i) any pension benefits from pension plans heretofore established by a private organization or association for the members of the police force but only to the extent that this Commonwealth or any of its municipalities shall have contributed to such pension plan moneys raised by taxation, (ii) ***if positions covered by the fund are included in an agreement under the Federal Social Security Act***, up to seventy-five per centum of [***the primary benefits under Federal social security laws for which the officer may be eligible because of age where positions covered by the fund are included in an agreement under the Federal Social Security Act,***] ***his full social security old-age insurance benefit calculated in accordance with the provisions of the Federal Social Security Act in effect on the date of his termination of employment, except that such amount shall be included only upon attainment of the age at which the officer would be eligible to receive full social security old-age insurance benefits and in determining such eligibility and such amount only compensation for services actually rendered by the officer and covered***

*by the police pension fund shall be included*, and (iii) benefits from the police pension fund established pursuant to this act to the extent necessary to bring the total benefits in any month up to one-half the aforesaid monthly average salary: *Provided, however, That any officer who receives pension or retirement benefits from any plan established at any time pursuant to this act and who is also entitled to receive social security old-age insurance benefits shall not regardless of when the officer retired from active service have his pension or retirement benefits offset or reduced by more than seventy-five per centum of the social security old-age insurance benefits which he receives.* If this Commonwealth or one of its municipalities shall have contributed moneys raised by taxation to a pension plan established by a private organization or association for the members of the police force, the pension benefits to be taken into account under clause (i) of this paragraph shall be that proportion of the total pension benefits payable under clause (i) as the assets attributable to contributions of moneys raised by taxation bear to the total assets of the pension plan. In the case of the payment of pensions for permanent injuries incurred in service and to families of members killed in service, the amount and commencement of the payments shall be fixed by regulations of the governing body of the borough, town or township. Any borough, town or township may establish and pay length of service increments for years of service beyond twenty-five years for each completed year of service in excess of twenty-five years, not to exceed one hundred dollars (\$100). Such length of service increments may be paid in addition to other monthly pension or retirement allowances.

The ordinance or resolution establishing the police pension fund may provide for a cost of living increase for members of the police force receiving retirement benefits: *Provided, however, That such cost of living increase shall not exceed the percentage increase in the Consumer Price Index from the year in which the police member last worked: Provided further, That in no case shall the total police pension benefits exceed seventy-five per centum of the salary for computing retirement benefits: And provided further, That the total cost of living increase shall not exceed thirty per centum. No cost of living increase shall be granted which would impair the actuarial soundness of the pension fund.*

*The ordinance or resolution establishing the police pension fund may provide for a vested benefit provided that such would not impair the actuarial soundness of the pension fund. Under the provisions of such benefit, should a police officer, before completing superannuation retirement age and service requirements but after having completed twelve years of total service, for any reason cease to be employed as a full-time police officer by the municipality in whose pension fund he has been a member, he shall be entitled to vest his retirement benefits by filing with the governing body within ninety days of the date he ceases to be a full-time police officer a written notice of his intention to vest. Upon reaching the date which would have been his superannuation retirement date if he had*

*continued to be employed as a full-time police officer he shall be paid a partial superannuation retirement allowance determined by applying the percentage his years of service bears to the years of service which he would have rendered had he continued to work until his superannuation retirement date to the gross pension, using however the monthly average salary during the appropriate period prior to his termination of employment. Such pension or retirement benefits for any month shall be the sum of clauses (i), (ii) and (iii) of such benefits from the police pension fund established pursuant to this act to the extent necessary to bring the total benefits in any month up to his partial superannuation retirement allowance outlined above.*

Section 2. This act shall take effect January 1 of the year succeeding the year of enactment.

APPROVED—The 7th day of December, A. D. 1979.

DICK THORNBURGH