

No. 1990-178

AN ACT

HB 253

Amending the act of June 23, 1931 (P.L.932, No.317), entitled "An act relating to cities of the third class; and amending, revising, and consolidating the law relating thereto," permitting interests in police pension funds to vest after 12 years under certain conditions; providing for the amount of the retirement allowance benefit vested; and adding a definition.

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

Section 1. The act of June 23, 1931 (P.L.932, No.317), known as The Third Class City Code, reenacted and amended June 28, 1951 (P.L.662, No.164), is amended by adding a section to read:

Section 4302.1. Limited Vested Benefit.—(a) The ordinance may provide for a limited vested benefit if such would conform to section 305 of the act of December 18, 1984 (P.L.1005, No.205), known as the "Municipal Pension Plan Funding Standard and Recovery Act." Under the provisions of the benefit, should a member of the police pension fund, before completing the minimum age and minimum period of continuous service requirements but after having completed twelve years of full-time service, the member shall be entitled to vest his or her retirement benefits subject to the following conditions:

- (1) the member must file with the management board of the police pension fund a written notice of his or her intention to vest;*
- (2) the member must include in the notice, the date the member intends to terminate his or her service as a full-time police officer;*
- (3) the termination date shall be at least thirty days later than the date of notice to vest;*
- (4) the member must be in good standing with the police department on the date of notice to vest; and*
- (5) the board shall indicate on the notice to vest the rate of the monthly pay of the member as of the date of said notice to vest or the highest average annual salary which the member received during any five years of service preceding said date, whichever is the higher.*

(b) Upon reaching the date which would have been the member's retirement date had the member continued his or her full-time employment with the police department, the member shall notify the board, in writing, that the member desires to collect his or her pension. The amount of retirement benefits the member is entitled to receive under this section shall be computed as follows:

- (1) the initial determination of the member's base retirement benefits shall be computed on the salary indicated on the notice to vest; and*
- (2) the portion of the base retirement benefits due the member shall be determined by applying to the base amount the percentage that his or her*

years of service actually rendered bears to the years of service which would have been rendered had the member continued to be employed by the department until his or her minimum retirement date.

Section 2. Section 4303(a) of the act, amended May 9, 1961 (P.L.178, No.88), is amended to read:

Section 4303. Allowances and Service Increments.—(a) Payments for allowances shall not be a charge on any other fund in the treasury of the city or under its control save the police pension fund herein provided for. The basis of the apportionment of the pension shall be determined by the rate of the monthly pay of the member at the date of injury, death, honorable discharge, *vesting under section 4302.1* or retirement, or the highest average annual salary which the member received during any five years of service preceding injury, death, honorable discharge, *vesting under section 4302.1* or retirement, whichever is the higher, and except as to service increments provided for in subsection (b) of this section, shall not in any case exceed in any year one-half the annual pay of such member computed at such monthly or average annual rate, whichever is the higher.

* * *

Section 3. The act is amended by adding a section to read:

Section 4309. Definitions.—As used in this subdivision, the term “salary” is defined as the fixed amount of compensation paid at regular, periodic intervals by the city to the member and from which pension-contributions have been deducted.

Section 4. This act shall take effect in 60 days.

APPROVED—The 17th day of December, A. D. 1990.

ROBERT P. CASEY