

No. 2002-65

AN ACT

HB 1363

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," further providing for payments under existing pension plans and for service increments to pensions of police and firefighters.

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

Section 1. Section 4303(b) of 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 clause and the section is amended by adding a subsection to read:

Section 4303. Allowances and Service Increments.—* * *

(a.1) The provisions of subsection (a) providing that the apportionment of the pension 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, shall not apply to a city of the third class whether operating under an optional charter adopted in accordance with the act of July 15, 1957 (P.L.901, No.399), known as the "Optional Third Class City Charter Law," or under a home rule charter adopted in accordance with 53 Pa.C.S. Pt. III Subpt. E (relating to home rule and optional plan government), which had in effect pension plans prior to the effective date of this subsection that provided pensions in an amount greater than fifty per centum of salary.

(b) In addition to the retirement allowance which is authorized to be paid from the police pension fund by this act, and notwithstanding the limitations therein placed upon such retirement allowances and upon contributions, every contributor who shall become entitled to the retirement allowance shall also be entitled to the payment of a "service increment" in accordance with and subject to the conditions hereinafter set forth.

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(6) After the effective date of this clause, a city may agree to make service increment payments in excess of one hundred dollars (\$100) per month as long as such payments do not exceed five hundred dollars (\$500) per month, and, in computing such service increments, no employment after the contributor has reached the age of sixty-five years shall be included: Provided, That any agreement to provide an increase in service increment payments shall include a proportionate increase in the amount each contributor shall pay into the retirement fund under clause (2), not to exceed five dollars (\$5) per month.

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Section 2. Section 4322(b) of the act is amended by adding a clause and the section is amended by adding a subsection to read:

Section 4322. Pensions and Service Increments.—* * *

(a.1) The provisions of subsection (a) providing that the basis of the pension shall be one-half the annual salary of such member at the time of vesting under section 4320.1 or retirement computed at such monthly or average annual rate, whichever is the higher, shall not apply to a city of the third class whether operating under an optional charter adopted in accordance with the act of July 15, 1957 (P.L.901, No.399), known as the "Optional Third Class City Charter Law," or under a home rule charter adopted in accordance with 53 Pa.C.S. Pt. III Subpt. E (relating to home rule and optional plan government), which had in effect pension plans prior to the effective date of this subsection that provided pensions in an amount greater than fifty per centum of salary.

* * *

(b) In addition to the pension which is authorized to be paid from the firemen's pension fund by this act and notwithstanding the limitations therein placed upon such pensions and upon contributions, every contributor who shall become entitled to the pension shall also be entitled to the payment of a "service increment" in accordance with and subject to the conditions hereinafter set forth.

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(6) After the effective date of this clause, a city may agree to make service increment payments in excess of one hundred dollars (\$100) per month as long as such payments do not exceed five hundred dollars (\$500) per month, and, in computing such service increments, no employment after the contributor has reached the age of sixty-five years shall be included: Provided, That any agreement to provide an increase in service increment payments shall include a proportionate increase in the amount each contributor shall pay into the retirement fund under clause (2), not to exceed five dollars (\$5) per month.

Section 3. This act shall take effect immediately.

APPROVED—The 19th day of June, A.D. 2002.

MARK S. SCHWEIKER