

No. 246  
AN ACT

To further amend the act, approved the twelfth day of May, one thousand nine hundred forty-three (Pamphlet Laws 259), entitled, as amended, "An act providing for the payment by the State Treasurer, of one-half of the amount of the tax on premiums paid by foreign casualty insurance companies, to the treasurers of the several cities, boroughs, towns and townships, and for the payment thereof into police pension funds, and in certain cases into the Municipal Employees' Retirement System, and for Pension Annuity Contracts, and in certain other cases into the State Employees' Retirement Fund, for certain purposes," by redefining Pension Annuity Contract; vesting certain rights under pension annuity contracts in the municipality or in the policemen; providing for deductions to defray expenses for auditing; providing for return of funds if not used within a certain time by the various political subdivisions.

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

Section 1. The definition of "Pension Annuity Contract" in section 1 of the act, approved the twelfth day of May, one thousand nine hundred forty-three (Pamphlet Laws 259), entitled, as amended, "An act providing for the payment by the State Treasurer, of one-half of the amount of the tax on premiums paid by foreign casualty insurance companies, to the treasurers of the several cities, boroughs, towns and townships, and for the payment thereof into police pension funds, and in certain cases into the Municipal Employees' Retirement System, and for Pension Annuity Contracts, and in certain other cases into the State Employees' Retirement Fund, for certain purposes," as added by the act, approved the sixth day of April, one thousand nine hundred forty-five (Pamphlet Laws 160), is hereby amended to read as follows:

Section 1. \* \* \* \* \*

"Pension Annuity Contract" means any contract made by a municipality, or any Municipal Employees' Retirement Fund, or Police Pension Fund, of a municipality with an insurance or other authorized company, to provide pension, retirement, or disability benefits to the policemen employed by such municipality, or death benefits to the [dependents of] beneficiaries designated by such policemen. *The municipality shall be the owner of all rights under the contract, except the rights to designate the beneficiary, to change the beneficiary, and to receive the death pension and retirement benefits thereunder. When the employment of any policeman is terminated other than by death or retirement, the municipality shall apply the value of such contract to provide for the policeman death pension, retirement or disability benefits in accordance with the terms and conditions of the contract.*

Pensions.

Definition of "Pension Annuity Contract" in section 1, act of May 12, 1943, P. L. 259, as added by act of April 6, 1945, P. L. 160, amended.

Meaning of "Pension Annuity Contract."

Certain rights under such contracts vested in municipality.

Provision when employment of policeman is terminated other than by death or retirement.

Meaning of number of policemen.

Number of policemen, whether of a participating municipality, or of the Pennsylvania State Police, means the average number of policemen employed by any such municipality, or in the Pennsylvania State Police, as the case may be, during the year preceding the receipt of the tax by the Commonwealth.

Eighth paragraph of section 1, said act, as last amended by act of May 27, 1949, P. L. 1901, further amended.

Section 2. The eighth paragraph of section 1 of said act, as last amended by the act, approved the twenty-seventh day of May, one thousand nine hundred forty-nine (Pamphlet Laws 1901), is hereby further amended to read as follows:

Section 1.

\* \* \* \* \*

State Treasurer to turn over 2 per cent tax paid upon premiums by foreign casualty insurance companies to treasurers of municipalities and to the State Employees' Retirement Fund.

On and after the first day of January, one thousand nine hundred and forty-nine and annually thereafter, there shall be paid by the State Treasurer to the treasurers of the several municipalities within the Commonwealth, and to the State Employees' Retirement Fund for State police pension and retirement purposes, the entire amount received from the two per centum tax paid upon premiums by foreign casualty insurance companies: *Provided, That there shall be deducted from the entire amount now received and to be received the sum of sixty thousand dollars (\$60,000) to be allocated to the Department of the Auditor General to defray costs and expenses of auditing the funds and accounts receiving disbursement from said entire amount, and the department of the Auditor General shall make such audits of the funds and accounts receiving disbursements from said entire amount. Any and all sums of said allocation not utilized in making said audits shall be returned to the General Fund for distribution in accordance with the terms of Formula 3 of the act herein amended.* The amounts to be distributed shall be allocated in accordance with the following \*formulae:

Proviso.

\* \* \* \* \*

Said act amended by adding, immediately following section 1.1, a new section 1.2.

Section 3. Said act is hereby amended by adding, immediately following section 1.1 thereof, a new section to read as follows:

Provision made for return of funds if not used within a certain time by the various political subdivisions.

*Section 1.2. All moneys distributed under the terms hereof, that are not used for the purposes set forth herein within one year after receipt thereof by the treasurers of the several cities, boroughs, towns and townships, shall be returned to the General Fund for distribution in accordance with the terms of Formula 3 of the act herein amended.*

APPROVED—The 19th day of July, A. D. 1951.

JOHN S. FINE

\* "formula" in original.