

No. 204

AN ACT

SB 626

Amending the act of June 23, 1931 (P. L. 932), entitled "An act relating to cities of the third class; and amending, revising, and consolidating the law relating thereto," revising provisions relating to the firemen's pension fund; changing contribution requirements for members and cities, changing eligibility requirements for pensions, providing that payments to widows and children under certain conditions shall be mandatory and changing the qualifications for and amount of such payments.

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

Section 1. Section 4320, act of June 23, 1931 (P. L. 932), known as "The Third Class City Code," reenacted and amended June 28, 1951 (P. L. 662), and amended July 27, 1959 (P. L. 569), and August 14, 1959 (P. L. 704), is amended to read:

Section 4320. Firemen's Pension Fund; Management; Annuity Contracts.—Except as hereinafter provided, cities shall provide annuity contracts or establish, by ordinance, a firemen's pension fund, to be maintained in part by an equal and proportionate monthly charge against each member of the fire department, which shall not exceed annually [three] four per centum of the pay of such member,

and [if council elects, by ordinance, to make such payments,] an additional amount not to exceed one per centum if deemed necessary by the council to provide sufficient funds for payments to widows of members retired on pension or killed or who die in the service. In

any case where there is an existing organization or association for the benefit of fully paid firemen, constituting and having in charge the distribution of firemen's pension funds, no annuity contract shall be provided, nor shall any firemen's pension funds be established under the provisions of this section unless and until the members of such organization or association, by a two-thirds vote, elect to transfer said existing fund into the pension fund required to be established by this section.

All pension funds established under the provisions of this section shall be under the direction and control of a board of managers consisting of the mayor, the director of accounts and finance, the director of the department having charge of the fire department, or in cities where the mayor is also the director of the department having charge, of the fire department, then the director of public safety, the city controller and the chief of the bureau of fire, ex officio, and two members of the fire department to be chosen by the members of the fire department. Of the first managers so chosen by the members of the fire department one shall be chosen for a term of two years and one

for a term of four years. Biennially thereafter one manager shall be chosen for a term of four years to take the place of the one whose term expires. In case of vacancy among the managers chosen by the fire department, a successor shall be chosen for the unexpired term. The fund shall be applied, under such regulations as the board of managers shall prescribe, for the benefit of such members of the fire department as shall receive honorable discharge therefrom by reason of service or age or disability, widows of retired members [if council so elects] and the families of such as may be killed or who die in the service. All such pensions as shall be allowed to those who are retired by reason of the disabilities or of service or age shall be in conformity with a uniform scale, together with service increments as hereinafter provided. Benefits allowed from such fund to families of such as are killed or who die in service shall take into consideration the member's widow and his minor children under eighteen years of age, if any survive.

Section 2. Section 4321 of the act, amended July 27, 1959 (P. L. 569), is amended to read:

Section 4321. Retirement; Final Discharge.—Such regulations shall prescribe a minimum period of continuous service, not less than [twenty-five] twenty years and, when any minimum age is prescribed, a minimum age [not less than.] of [fifty-five] fifty years, after which members of the department may [be retired or elect to be retired] retire on pension from active duty, and such members as are retired shall be subject to service, from time to time, as a firemen's reserve in cases of emergency until unfitted for such service, when they may be finally discharged by reason of age or disability. Upon the death of a member who retires on pension or is killed in the service on or after January 1, 1960, or who dies in the service on or after January 1, 1968, payments as hereinafter provided [may, if council so elects,] shall be made to his widow during her life so long as she does not remarry.

Section 3. Section 4322 of the act, amended August 14, 1959 (P. L. 704) and May 9, 1961 (P. L. 178), is amended to read:

Section 4322. Pensions and Service Increments.—(a) Payments of pensions shall not be a charge on any fund in the treasury of the city or under its control save the firemen's pension fund herein provided for. The basis of the pension of a member shall be determined by the monthly salary of the member at the date of retirement, or the highest average annual salary which he received during any five years of service preceding retirement, whichever is the higher, whether for disability, or by reason of age or service, and except as to service increments provided for in subsection (b) of this section, shall be one-half the annual salary of such member at the time of retirement computed at such monthly or average annual rate, which-

ever is the higher. In the case of the payment of pensions to members for permanent injury incurred in service, and to families of members killed or who die in service, the amount and commencement of the payment of pensions shall be fixed by regulations of the board [, which shall]. Such regulations shall not take into consideration the amount and duration of workmen's compensation allowed by law. [If council elects, by ordinance, to make such payments] Payments to widows of members retired on pension or killed in the service on or after January 1, 1960, [such payments] or who die in the service on or after January 1, 1968, shall be [one-half of] the amount payable to the member or which would have been payable had he been retired at the time of his death.

(b) In addition to the pension which is authorized to be paid from the ¹firemen'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 [may] shall also be entitled to the payment of a "service increment" [as hereinafter provided.

A "service increment" may be provided by the cities to be maintained, in part, by a monthly charge against each member. The monthly charge against each member shall be determined in accordance with and following an actuarial investigation into the mortality and service experience of the members, and on the basis of such investigation and evaluation, the cities may certify the rates of deduction from salary necessary to pay the "service increments" authorized under the provisions of this act] in accordance with and subject to the conditions hereinafter set forth.

(1) Service increment shall be the sum obtained by computing the number of whole years after having served the minimum required by this act during which a contributor has been employed by such city and paid out of the city treasury and multiplying the said number of years so computed by an amount equal to one-fortieth of the retirement allowance which has become payable to such contributor in accordance with the provisions of this act. In computing the service increment, no employment after the contributor has reached the age of sixty-five years shall be included, and no service increment shall be paid in excess of one hundred dollars (\$100) per month.

¹ "fireman's" in original.

(2) Each contributor, from and after the effective date of this amendment, shall pay into the pension fund a monthly sum in addition to his pension contribution, which shall not exceed the sum of one dollar (\$1) per month: And provided, That such service increment contribution shall not be paid after a contributor has reached the age of sixty-five years.

(3) Any person who is a member of the department on the effective date of this amendment who has already reached the age of sixty-five years shall have his service increment computed on the years of employment prior to the date of reaching his sixty-fifth birthday.

(4) Service increment contributions shall be paid at the same time and in the same manner as pensions, and may be withdrawn in full, without interest, by persons who leave the employment of such city, subject to the same conditions by which retirement contributions may be withdrawn, or by persons who retire before becoming entitled to any service increment.

(5) All members of the fire department who are now contributors to the pension fund and all those employed by the city after the effective date of this amendment, if required to become contributors to the pension fund, shall be subject to the provisions of this act.

Section 4. Section 4324 of the act, amended July 27, 1959 (P. L. 569), is amended to read:

Section 4324. *Payments to Firemen's Pension Funds by City.*— There shall be paid to the firemen's pension funds by every city annually [, a] the sum of money not less than one-half of one per centum nor more than [one] three per centum of all city taxes levied by the city, other than taxes levied to pay interest on or extinguish the debt of the city or any part thereof. Council may exceed the limitations imposed by this section if an additional amount is deemed necessary to provide sufficient funds for payments to widows of members retired on pension or killed or who die in the service: Provided, however, That the city shall annually pay into said fund not less than one-half of one per centum of all city taxes levied by the city, other

than taxes levied to pay interest on or extinguish the debt of the city or any part thereof.

Section 5. Section 4327 of the act, added April 30, 1957 (P. L. 65), is amended to read:

Section 4327. Repayment Before Retirement.—If for any cause any member of the fire department contributing to the pension fund shall cease to be a member of the fire department before he becomes entitled to a pension, the total amount of the contributions paid into the pension fund by such member shall be refunded to him in full without interest. If any such member shall have returned to him the amount contributed, and shall afterward again become a member of the fire department, he shall not be entitled to the pension designated until [twenty-five] twenty years after his reemployment, unless he shall return to the pension fund the amount withdrawn, in which event the period of [twenty-five] twenty years shall be computed from the time the member first became a member of the fire department, excluding therefrom any period of time during which the member was not employed by the fire department. In the event of the death of a member of the fire department not in the line of service before the member becomes entitled to the pension aforesaid and such member is not survived by a widow or family entitled to payments as hereinbefore provided, the total amount of contributions paid into the pension fund by the member shall be paid over to his estate.

APPROVED—The 20th day of July, A. D. 1968.

RAYMOND P. SHAFER.

No. 205

AN ACT

SB 955

Amending the act of May 17, 1921 (P. L. 789), entitled, as amended, "An act relating to insurance; establishing an insurance department; and amending, revising, and consolidating the law relating to the licensing, qualification, regulation, examination, suspension, and dissolution of insurance companies, Lloyds associations, reciprocal and inter-insurance exchanges, and certain societies and orders, the examination and regulation of fire insurance rating bureaus, and the licensing and regulation of insurance agents and brokers; the service of legal process upon foreign insurance companies, associations or exchanges; providing penalties, and repealing existing laws," further regulating the inspection and examination of domestic insurance companies, associations and exchanges.

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