

No. 1987-84

AN ACT

HB 251

Amending the act of May 7, 1965 (P.L.48, No.38), entitled "A supplement to the act of May 28, 1915 (P.L.596), entitled 'An act requiring cities of the second class to establish a pension fund for employes of said cities, and regulating the administration and the payment of such pensions,' as to employes of second class A cities, reducing the number of years of employment to qualify for a pension; and increasing pension payments and contributions," increasing the maximum pension and the maximum contribution rates.

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

Section 1. Section 2(a) of the act of May 7, 1965 (P.L.48, No.38), entitled "A supplement to the act of May 28, 1915 (P.L.596), entitled 'An act requiring cities of the second class to establish a pension fund for employes of said cities, and regulating the administration and the payment of such pensions,' as to employes of second class A cities, reducing the number of years of employment to qualify for a pension; and increasing pension payments and contributions," amended July 17, 1970 (P.L.494, No.172), is amended to read:

Section 2. (a) During the lifetime of the said person, he or she shall be entitled to receive a pension from the fund set aside for the purpose, at a rate equal to seventy-five per centum of the amount which would constitute the average rate of pay received during the last five years of his or her employment by the said city, payable monthly, but in no case shall the pension payable to any one payable employe exceed **[two hundred fifty dollars (\$250) a month] the amount authorized by ordinance of the second class A city.** Such pension shall be payable to any person so employed for fifteen years or more by the city when such person shall attain the age of fifty-five years; should any person so employed, after fifteen years of service, voluntarily retire, be dismissed, or be in any way deprived of his or her employment with the city before attaining the age of fifty-five years, he or she shall be entitled to the pension after retirement upon continuing a monthly payment to the fund equal to the last amount due and payable while in active service. If any pension be granted to a person who has not been a contributor to the pension fund as herein provided for the period of twenty years but has contributed for at least fifteen years, such person shall be required to pay unto the board of pensions an amount equal to three per centum of the last monthly salary paid to such person, but not in excess of **[six dollars (\$6)] the amount** per month **authorized by ordinance**, multiplied by the number of months necessary to complete the twenty-year period, with interest, or in the alternative, after so computing the amount needed to complete the twenty-year period, the board may withhold the payment of pension until such amount has been refunded to the board of pensions.

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Section 2. Section 3 of the act is amended to read:

Section 3. The city employes and contributing members to the fund shall after the passage of this act pay unto the board of pensions monthly an amount equal to three per centum of their monthly salaries or wages, in no event, however, paying at a rate greater than **[six dollars (\$6) a month,] *the amount per month authorized by ordinance of the second class A city***, which shall be applied to the purpose of this act. Payment of the monthly amount or contribution herein mentioned shall cease and be discontinued at the time the beneficiary receives the pension herein provided, except for contributions required to be made to complete a twenty-year period of contribution, as provided in subsections (a) and (b) of section 2 of this act. If for any cause an employe contributing to the pension fund shall cease to be an employe of any such city of the second class A before said employe becomes entitled to the pensions conferred by this act, the total amount of the contributions paid into the pension fund by such employe shall be refunded to him or her in full, without interest; provided, however, if any such employe shall have returned to him or her the amount contributed as aforesaid and shall afterward re-enter the employ of such city, said employe shall not be entitled to the pension designated until twenty years after said re-employment unless he or she shall return to the pension fund the amount withdrawn, plus interest, in which event the period of twenty years shall be computed from the time said employe first entered the service of said city. In the event of the death of any such employe before the said employe becomes entitled to the pension aforesaid, the said total amount of contributions aforesaid shall be paid over to the estate of the said deceased employe or his or her designated beneficiary. In the event of the death of any employe collecting the pension aforesaid, the total amount of contributions over and above that paid to the deceased employe shall be paid over to the estate of the said deceased employe, or his or her designated beneficiary.

Section 3. This act shall take effect immediately.

APPROVED—The 3rd day of December, A. D. 1987.

ROBERT P. CASEY