

An aerial photograph of Pittsburgh, Pennsylvania, showing the city skyline, the Allegheny River, and several yellow bridges. In the foreground, a red trolley is visible on a track, surrounded by lush green trees. The sky is blue with scattered white clouds.

**City of Pittsburgh
Municipal Pension Fund
Member Handbook**



City of Pittsburgh

Municipal Pension Fund

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Board of Directors

Ms. Jeannie Byrne, Municipal Pension Fund
Vice President - Employee Representative

Honorable Bruce Kraus, Council President

Honorable Michael E. Lamb, City Controller,
Municipal Fund Secretary/Treasurer

Honorable William Peduto, Mayor

Mr. John Sibbet, Municipal Pension Fund
President - Employee Representative

Mr. Craig E. Frischman, Solicitor

Ms. Valerie Sullivan, Executive Secretary

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FAQ

Administration of Plan.

Q: What is the Municipal Pension Fund Board of Directors?

A: The Municipal Pension Fund Board was created pursuant to legislative act and its members are charged with the responsibility of administering the Municipal Pension Fund. The Board consists of the Mayor, City Controller, President of City Council, and two Employee Representatives who are elected by the membership every four years. The Board meets on the third Thursday of the month. Regular business items are: approval on contribution refunds, death benefit payments, invoices, and pensions. The meetings are public and the board entertains requests of members and retirees.

Q: What is the Comprehensive Municipal Pension Trust Fund Board?

A: In 1984, the Pennsylvania Legislature passed Act 205, the Municipal Pension Plan Funding Standard and Recovery Act. The purpose of this act was to stop the increase in unfunded liabilities of municipal pension plans and to establish a program to make these plans solvent. The Comprehensive Board was created to pool the assets of police, fire, and municipal plans in order to achieve administrative savings and greater investment earnings. The Board consists of seven members: the Mayor, three members elected by the police, fire, and municipal plans, and three appointees.

FAQ

Participation.

Q: What is a defined benefit plan?

A: The Municipal Pension Fund is a “defined benefit” plan. Defined benefit plans are qualified employer-sponsored retirement plans. A defined benefit plan guarantees you a certain benefit when you retire. How much you receive generally depends on factors such as your salary, age, and years of service with the employer. You have to work for a specific number of years before you have a permanent right to proceeds under a defined benefit plan. This is generally known as “vesting.” If you leave your job before you fully vest, you won’t get full retirement benefits from the plan. Don’t confuse a “defined benefit” plan with another type of qualified retirement, the “defined contribution” plan (e.g., 401(k) plan, profit-sharing plan). As the name implies, a defined benefit plan focuses on the ultimate benefits paid out. Your employer promises to pay you a certain amount at retirement and is responsible for making sure that there are enough funds in the plan to eventually pay you this amount, even if the investments don’t perform well. In contrast, “defined contribution” plans focus primarily on current contributions made to the plan. In a “defined contribution” plan, your employer is not obligated to pay you a specified amount at retirement. Instead, the amount received at retirement depends on the investments made and how those investments performed.

Q: Why is it mandatory to join the Fund?

A: Mandatory participation is required by the Pension Act of 1975 and Ordinances 13 & 14 of 1987. Mandatory participation is essential for funding purposes.

Q: What happens if I take a leave of absence?

A: Membership may continue for up to two years on an approved leave of absence. Contributions are required.

Q: What happens if I go on Worker’s Compensation or Short or Long Term Disability?

A: For each occurrence the Board allows contributions to be paid for six months. Contributions cannot be made if the employee does not return to work.

FAQ

Contributions.

Q: What is the contribution rate required for members?

A: Members hired prior to January 1, 1988 contribute 5% of their salary. Members hired after December 31, 1987 contribute 4% of their salary. The rate of contributions required is established by the laws and ordinances governing the plan. The difference in contribution rates is attributed to differences in the benefits offered.

Q: Is interest paid on contributions?

A: Simple interest at a rate of 5% per annum is paid on refunds of contributions made by non-union employees. For Union employees, the application of the interest is generally outlined in your Union's collective bargaining agreement.

FAQ

Types of Pensions.

Q: How do I vest my pension?

A: By electing a partially vested pension benefit or vested pension benefit as follows:

Partially Vested Pension Benefit - A benefit option for a member who has left employment with the City of Pittsburgh and who has attained age 40 years of age with at least 8 years credited service who elects to continue membership in the Fund by paying the required contributions to age 50. At age 50, the member may elect to apply for a partial pension benefit or defer the benefit.

Vested Pension Benefit - A benefit option for a member who has left employment with the City of Pittsburgh and who has at least 8 years of credited service and is at least 50 years old.

Q: What are the types of Pensions?

A: Regular, Partial, Occupational Disability, Disability, and Spouse:

Partial - a reduced pension benefit with the first eligibility at age 50 with 8 years service.

Regular - a full pension benefit without penalties. Age 60 with 20 years credited service are required.

Occupational Disability Pension - a regular pension benefit available to members who sustain a job related disability and who meet the requirements for disability pensions in the laws and ordinances governing the Pension Fund.

Disability Pension - a regular pension benefit available to members who sustain a non-job related disability and who have a required 8 years of credited service. The member must meet the requirements for disability pensions in the laws and ordinances governing the Pension Fund.

Spouse Pension Benefit - a pension payable to a surviving spouse of an employee who is at least 50 years of age with 8 years credited service who dies while in active service. The amount of pension paid to the surviving spouse is 1/2 of the pension benefit the deceased employee would have been entitled to receive at the time of death.

FAQ

Pension Calculations.

There are 2 formulas for calculating pension benefits as follows:

Calculation 1

For Employees hired prior to January 1, 1988

Add the highest 36 months of contributory earnings over the last 60 months. The answer is the average monthly earnings. Divide average monthly earnings by 36. Multiply answer by 50%. The result is a regular pension amount.

Calculation 2

For Employees hired January 1, 1988 & Later

Add the last 48 months of contributory earnings. The answer is the average monthly earnings. Divide average monthly earnings by 48. Multiply answer by 50%. The result is a regular pension amount.

Notes: Calculate pension with base salary and if applicable, acting pay. Do not include overtime.

Penalties

Age - the minimum age required is 50. The penalty is $\frac{1}{2}\%$ for every month short of age 60 or 6% per year. For example, the age penalty for age 55 is 30%.

Service - the minimum service required is 8 years. The service penalty is a proration of the number of months worked over 240 months. For example, 10 years credited service would reduce the benefit by $\frac{1}{2}$.

Increments

For each full year completed over 20, increments are added to the pension benefit amount. Increments are equal to 1% of the average monthly earnings and cannot exceed \$100.00.

FAQ

Retirement Benefits.

Q: Are my pension benefits taxable?

A: For federal tax purposes, there are rules that apply to the taxability of pensions. Neither the Commonwealth of Pennsylvania, nor the County of Allegheny, nor the City of Pittsburgh tax the pension benefit. Due to the complexities of the tax laws, retirees should consult a tax professional.

Q: How long will I receive the pension?

A: The pension is a lifelong benefit.

Q: Can I expect an increase in my pension after retirement?

A: From time to time, retirees may receive increases from the Pension Trust Fund. The Pension Trust Fund was created in 1987 by resolution of City Council.

Q: How solvent is the Pension Fund?

A: Because the pension benefit is a municipal/governmental pension, the possibility of losing the benefit is remote. The reason for this is that pursuant to law, the pensioner has first claim on tax dollars to satisfy pension benefits.

Q: Is there any instance where I might be disqualified from receiving my pension?

A: Yes. All employees and officials who have been hired, promoted or elected after July 8, 1978 are subject to the Public Employee Pension Forfeiture Act of Pennsylvania, Act of July 8, 1978, P. L. 752, No. 140, 43 P.S. Sections 1311 et al. This Act provides that “no public official or public employee nor any beneficiary designated by such public official or public employee shall be entitled to receive any retirement or other benefit or payment of any kind except a return of the contribution paid into any pension fund without interest, if such public official or public employee is convicted or pleads guilty or no defense to any crime related to public office or public employment”. Some of the crimes related to public office or public employment are theft by deception, extortion, forgery, bribery, perjury, and official oppression.

FAQ

Disability Benefits.

Q: What are the procedures for applying for a disability or occupational disability pension?

A: In each case, the employee must be unable to perform the duties required of his/her position for 6 consecutive months. After this length of time, the employee should contact the pension office for a disability packet. The packet consists of a pension benefit calculation, a questionnaire, and a medical release for information. The packet also contains a letter to submit to the treating physician which explains the criteria required for a qualifying letter to be submitted to the pension office by the treating physician on behalf of the employee. The criteria to be met for approval of a disability pension is whether or not the employee is in a condition of health rendering the employee "totally and permanently" disabled from performing the duties required of the position held with the City. When the qualifying letter is accepted, an application is completed by the employee, and 3 independent medical evaluations are scheduled with the Board's panel physicians. Approval of a disability pension is contingent upon each of the 3 designated physicians who must submit a narrative report and a "Statement of Disability".

Q: What pension offsets are applicable?

A: Social Security Offset - For non-union employees, if you were hired after June 30, 2004, your pension benefit will be reduced after you attain full Social Security benefits age by an amount equal to 50% of your Social Security benefit that was associated with your city employment (not to exceed 1/2 of your pension benefit). For union employees, the application of the Social Security Offset is generally outlined in your Union's collective bargaining agreement.

Workers Compensation Offset - All employees hired on or after January 1, 1988, as well as all employees eligible for pension enhancements, will have an offset applied to their pension benefit if they are receiving Workers Compensation benefits. This offset is usually not permanent due to similar offsets applied on the Workers Compensation benefits.

Q: Is the disability pension a lifelong benefit?

A: The disability pension is payable to the recipient as long as the disability remains "total and permanent." The Pension Board has the option by law to re-evaluate a disability pensioner from time to time to ensure that they remain "totally and permanently" disabled from performing the duties required of the position held while employed.

FAQ

Death Benefits.

Q: What death benefits are available to a surviving spouse if an employee dies while in active service?

A: Surviving spouses of employees at least 50 years of age with 8 years of credited service are eligible to elect a spouse pension benefit. The benefit is $\frac{1}{2}$ of the pension that would have been payable to the deceased employee at the time of death. Additional adjustments may apply depending on the age differences of the spouses.

Q: What are the death benefits for survivors of employees who do not qualify for the spouse pension?

A: A contribution refund will be paid to the person or persons designated on the Municipal Pension Office Beneficiary Card.

Q: What are the death benefits available to a surviving spouse of a pensioner?

A: Most employees have the option at retirement of electing a survivor benefit. The retiring employee can reserve a \$100.00 monthly payment or opt for a Spousal Benefit Option. In either case, the pensioner opts to receive a lower pension benefit to secure spousal benefits for the surviving spouse.

Q: What happens if I die without designating a beneficiary or updating my beneficiary card?

A: In most cases, the survivors must open an estate in the Allegheny County Register of Wills Office in order to collect death benefits. This can be costly and time consuming. For this reason it is important to check periodically with the Municipal Pension Fund Office on your beneficiary designation.

FAQ

Termination of Employment.

Q: How do I apply for a contribution refund?

A: Employees who leave employment with the City and who do not qualify for a pension benefit are eligible to apply for a refund of their pension contributions. Employees should call or visit the pension office to obtain a refund packet. The staff will assist the employee with all related issues, such as the roll over option to avoid 20% mandatory federal withholding and Credit Union considerations. All refunds are approved by the Board at the regular monthly meeting.

Q: How do I apply for a pension?

A: Employees contemplating retirement may call or visit the pension office to request a pension calculation. Pensions commence on the first day of the month that the employee is no longer on the City payroll and are approved by the Board at the regular monthly meeting. Pensions are paid on the last working day of the month. An appointment will be scheduled one month prior to the retirement month.

FAQ

Miscellaneous Questions.

Q: What is the Military Service Time Ordinance?

A: This Ordinance, enacted in City Council on February 19, 1980, allows members who have 8 years of credited service in the pension plan the ability to buy up to 3 years of additional credit in the pension plan by paying minimal contributions for active service in the armed forces of the United States or the Pennsylvania State Militia. Time served in the Merchant Marine during World War II and Korea is included, as well as active duty in the military reserves.

Q: Is there a residence requirement for retirees?

A: No.

Q: Can I remain a member of the Pittsburgh City Hall Employees Federal Credit Union after I retire?

A: Yes.

Q: What happens to my pension status if I transfer to the Police or Fire Department?

A: The rules for refunds apply. The police and fire pension plans do not qualify for direct rollover from the municipal plan. However, the credit may be purchased. Employees are advised to contact the police or fire funds for more information.

Q: This is my second hire with the City. Can I re-purchase my past credited service in the pension plan?

A: Yes. Both the Pension Act of 1975 and Ordinance No. 14 of 1987 give rehired employees the right to restore withdrawn contributions. Employees should contact the pension office upon rehire for a calculation of the time which may be subject to interest.

FAQ

Q: If I retire and then subsequently return to City employment, what happens to my pension benefit?

A: Both the Pension Act of 1975 and Ordinance No. 14 of 1987 provide that upon return to full time City employment, the pension payment shall cease and upon termination of employment the former pension payment shall resume. In this situation, the pensioner/employee will not be required to pay pension contributions nor will they increase their pension benefit. If the pensioner/employee wanted to increase their pension benefit, both the Pension Act and the Ordinance require that all previous pension payments be refunded to the pension fund. The pensioner/employee would then be required to pay pension contributions, and then upon retirement, their prior credited service would be added to the most recent credited service. The restoration of the pension benefits received is subject to an interest payment to the fund.

Q: What are the pension enhancements?

A: In October of 2001, certain pension enhancements were offered to non-union city employees. Thereafter, Union employees were offered the same enhancements as part of collective bargaining agreements. The primary benefits enhancements included the elimination of the Social Security Offset, a cost neutral survivor benefit option, the payment of interest on refunds of contributions and changes to pension calculation formulas. These enhancements remain applicable for employees hired before June 30, 2004.

FAQ

Q: What is the 65/20 option?

A: For employees who attain age 65 with 20 years of credited pension service, an option is available to discontinue making pension contributions. By doing this, the pension benefit is frozen at the time of discontinuance of contributions. The employee should contact the Pension Office for an appointment to discuss the option. In some circumstances, the option to discontinue is not optimal.

Q: How do I obtain an estimate of my pension benefits?

A: There are 2 sources. The City of Pittsburgh website offers a pension calculator. Also, the staff will provide estimates on request. To calculate an estimate properly the employment roster from the Department of Personnel and Civil Service is requested and an employee contribution history is reviewed. Estimates by the staff are prepared carefully so a reasonable time should be allotted for them to be prepared.

The Pension Act of 1975

AN ACT

RELATING TO PENSIONS FOR EMPLOYEES OF
THE CITY OF PITTSBURGH

ACT OF AUG. 1 1975, P.L. 169, NO. 87 CL11

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

Section 1. Definitions. -

The following terms shall have the following respective meanings for the purposes of this act, unless a different meaning is plainly required by the context.

- (a) **ACCUMULATED CONTRIBUTIONS. -**
The sum of a member's contributions to the fund.
- (b) **AVERAGE MONTHLY EARNINGS. -**
The average of the highest 36 months of contributory earnings during the last 60 months of employment by the city preceding retirement or termination of service.
- (c) **BENEFICIARY. -**
The person or persons last designated in writing by a member to receive his accumulated contributions upon the death of such member.
- (d) **BOARD. -**
The pension board consisting of members specified in accordance with the provisions of section 2.
- (e) **CITY. -**
The City of Pittsburgh and any agency or authority created by the City of Pittsburgh, or created by the City of Pittsburgh jointly with other cities or with another political subdivision or created by another political subdivision and joined by the city, except where such agency or authority has in effect its own pension or retirement plan, maintained without reference to the provisions of this act, in which case such pension or retirement plan shall be exclusive and such agency's or authority's employees shall not be entitled to any rights under this act.
- (f) **CONTRIBUTION RATE. -**
Five percent.

The Pension Act of 1975

- (g) **CREDITED SERVICE. -**
Service of a member to be used in the determination of benefits provided that the required contributions have been made and are credited to his account in the fund.
- (h) **EMPLOYEE. -**
Any person holding a city office or employed by the city in any capacity whatsoever, for which employment he is receiving regular remuneration as an officer or employee, excluding however any independent contractor or a person compensated on a fee basis.
- (i) **FULL-TIME EMPLOYEE. -**
Any employee serving the city for 200 or more days per year.
- (j) **FUND. -**
The fund created by the city in accordance with the act of May 28, 1915 (P.L.596, No.259), referred to as the Second Class City Employee Pension Law.
- (k) **MEMBER. -**
Any employee or former employee who is making contributions to the fund or any employee whose contributions have been discontinued due to attainment of age 65.
- (l) **MEMBER CONTRIBUTIONS. -**
The product of the contribution rate and the compensation of the member.
- (m) **NORMAL RETIREMENT AGE. -**
Age 60, with eight or more years of credited service.
- (n) **PENSIONER. -**
Any employee who has terminated city service and is receiving or has filed an application to receive pension benefits pursuant to this act.
- (o) **TOTAL AND PERMANENT DISABILITY. -**
Permanent incapacity due to bodily injury or disease which for a period of at least six consecutive months has rendered the member unable to perform the duties for which he was employed. Proof of total and permanent disability shall consist of the sworn statement of three practicing physicians who have been designated by the board that the member is in a permanent condition of health which would totally disable him from performing the duties of his position or office.
- (p) **VESTEE. -**
Any former member entitled to an early pension who has terminated service and elected to receive a deferred pension.

The Pension Act of 1975

Section 2. Administration. -

- (a) The administration of the provisions of this act shall be charged to the board which shall consist of the mayor, the city controller, the president of the city council and two employees to be chosen by the employees contributing to the fund.
- (b) The board shall have the following powers and duties:
 - (1) To adopt and promulgate rules and regulations for the administration of the fund.
 - (2) To register all employees who are members of the fund.
 - (3) To administer the collection and crediting of contributions to the fund.
 - (4) To grant such pensions and other payments as are herein provided and to pay over by warrant or check such amounts.
 - (5) To administer the fund and when deemed advisable, to invest the moneys in accordance with the provisions of this act.
 - (6) To perform such other functions as are required for the execution of the provisions of this act.
- (c) Any action taken by the board shall be recorded in writing, approved by the majority of its members and signed either by such majority or by a person authorized by the board to so act.
- (d) The board shall prepare annually a report, which shall be submitted to the city council, showing in reasonable summary the assets and liabilities of the fund and giving a brief account of the operation of the fund for the past year.
- (e) The members of the board may rely upon tables, valuations and reports furnished by qualified professional consultants.

The Pension Act of 1975

- (f) The heads of every department and office employing persons eligible for membership shall certify each pay period to the board the names of such employees, the amount of salary or wages paid to each employee, together with any dismissals, resignations, leaves of absence or terminations of service and such other relevant information as the board may require.
- (g) Each application for a pension shall be made in writing to the board on a form provided by the board. The board may require any applicant for pension to furnish such reasonable information as may be necessary to process the application.

Section 3. Membership. -

- (a) Membership shall be mandatory for all full-time employees on the effective date of this act and following a 90-day probationary period for all new full-time employees; except that the following employees shall not be entitled to membership:
 - (1) Employees protected by other pension systems authorized by the laws of this State.
 - (2) Employees who did not exercise an option to elect membership in the fund within the times provided.
 - (3) Any temporary employees who do not have contributions in the fund attributable to former membership in the fund.
 - (4) Pensioners who were receiving full retirement benefits and returned to service subsequent to January 1, 1975.
- (b) Membership shall be mandatory for a temporary employee who was formerly a full-time employee and who has not withdrawn his accumulated contributions from the fund.
- (c) Membership may continue for any employee on an approved leave of absence for a period of up to two years during which he makes the required contributions.
- (d) Membership shall continue for an employee who has terminated service after eight or more years of credited service, attained age 40, has elected to leave his contributions in the fund, and continues to contribute to the fund until attainment of age 50.

The Pension Act of 1975

- (e) Membership and all rights to benefits provided by this act shall cease at the time an employee terminates city service and withdraws his accumulated contributions.

Section 4. Contributions by Members. -

- (a) Each member of the fund who is making contributions here - under on December 31, 1974, and each employee who becomes a member on or after January 1, 1975, shall contribute to the fund 5% of his salary or wages.
- (b) Any member who retires subsequent to January 1, 1975 but prior to January 1, 1980 may elect to increase his average monthly earnings by contributing 5% of earnings in excess of \$650 per month for up to 36 months of service rendered prior to the effective date of this act.
- (c) The city shall cause to be deducted the required member contributions from each payroll and shall promptly send the amounts deducted to the fund.
- (d) Payment of the amount of contribution herein mentioned shall be discontinued at the time the member retires, terminates service, attains age 65 with 20 or more years of credited service, dies or becomes totally and permanently disabled, except that any member who terminates employment with the city after attaining age 40 and completing eight or more years of credited service may, in order to become eligible for vested benefits under the provisions of section 7 (d) of this act, elect to make monthly payments to the fund continuing until age 50 and in amounts equal to 5% of his monthly salary at the time of termination of service.
- (e) Each person who becomes an employee of the city after having been employed by the city in the bureau of fire or the bureau of police, and who is not entitled to retirement benefits for such service under another retirement system and who desires to have such service credited in the fund, shall be required to pay to the fund an amount equal to 5% of the total salary or wages received by him for each month of service for which he wishes to receive credit together with interest at the rate earned by the fund during the period of such employment. Such amount shall be deducted from the monthly salary or wages of the member over a period of two years or in such manner and period as the board may determine.

The Pension Act of 1975

Upon full payment of the amount due the member shall receive credit for said period of service. If any member shall be injured while in the actual performance of duty before he shall have made full contribution for past service, so long as the disability continues, he shall be eligible for pension under this act, but any amount which he shall not yet have paid to the fund as a contribution for past services under this section at the date of his injury shall be paid, if the board, in its discretion, shall so determine, in such monthly amounts as the board may determine, which amounts shall be deducted from his or her pension as and when monthly payments thereof shall be made.

- (f) Any member may purchase full credit toward his pension for each year of service with an agency or authority prior to the time such agency or authority joined the fund upon his producing proof satisfactory to the board of the number of years of such service and upon his making back payments as if he had been a member of the fund at the time of such service. The amount due may be paid in a lump sum or by installments, as may be agreed upon by the member and the board. If the employee is retired under this act before the payments have been completed, his pension shall be reduced by an amount equivalent to the unpaid balance of the amount due.
- (g) If a member terminates service before he is eligible to receive a pension and is not eligible or does not elect to make further contributions under subsection (d), his accumulated contributions shall be refunded in full.
- (h) Any former employee who has received a refund of his accumulated contributions and who shall reenter the service of the city, shall be eligible to receive credit for all previously credited service by restoring to the fund the total accumulated contributions withdrawn.
- (i) Any pensioner who had less than 20 years credited service or who had elected to receive an early reduced pension and who returns to service shall start contributing at 5% of his salary or wages and shall be entitled to have his subsequent retirement pension be determined on the basis of this total service history by restoring to the fund the total of the amount received in pension payments.

The Pension Act of 1975

Section 5. Contributions by the City. -

- (a) The public officials of the city charged with the disbursements, expenditures, and appropriations, shall annually set aside, apportion, and appropriate, out of all taxes and income of the city, to the board, a sum sufficient to maintain the pensions due under this act. If the total disbursements from the fund for the payment of pensions, refund of accumulated contributions of members, and administration expenses shall exceed in any year the total revenues of the fund from member contributions and the interest and premiums on investments and bank deposits, then the amount to be set aside, apportioned and appropriated by the public officials of the city to the fund shall not be less than the difference between the total disbursements and receipts of the fund, as aforesaid.
- (b) Every authority or agency, whose employees are members of the fund, shall be held liable for the amount due to the fund on account of benefits provided by this act which are paid to employees of such authority or agency: Provided, however, that where an employee of the authority or agency formerly worked for the city, the authority or agency shall be held liable for that proportionate part of the pension or other benefits paid which the authority or agency service bears to the total credited service.

Section 6. Credited Service. -

- (a) Credited service shall be computed from the time of the first or original employment; said employment shall consist of service to the city, and need not be continuous, provided that contributions have been made in accordance with section 4 (a) and (h) for all periods of service.
- (b) Any employee shall receive full credit for each year of service for which credit has been purchased under the provision of section 4 (e) and (f).
- (c) Any employee who shall have enlisted or been drafted to serve in the Army or Navy of the United States in time of war or shall have been drafted to serve in the Army or Navy of the United States in time of peace, shall have such service credited in full to his service record as service to the city.

The Pension Act of 1975

- (d) Any person who terminated service prior to January 1, 1975, having at least 20 years of credited service and who upon termination of service continued making contributions, shall upon completion of 25 years of continuous contributions be entitled to receive credited service for all such years of contributions.

Section 7. Eligibility for Benefits. -

- (a) Upon termination of service and the filing of the proper application with the board the following members shall be entitled to a pension:
 - (i) any members who on or after January 1, 1975, shall have had at least eight years of credited service as determined in section 6 and shall have attained age 60; and
 - (ii) employees who were members of the fund prior to January 1, 1975, and who have completed at least 25 years of credited service as determined in section 6 and shall have attained age 50.
- (b) Upon termination of service on or after January 1, 1975, any member who has at least eight years of credited service and has attained age 50, shall, upon the filing of the proper application with the board, be entitled to receive a deferred pension commencing upon attainment of age 60, or an early reduced pension.
- (c) On or after January 1, 1975, any member who suffers a total and permanent disability shall upon the filing of a proper application with the board, be entitled to receive a disability pension if his disability is sustained in the actual performance of duty regardless of his length of service or if his disability is incurred not in the performance of duty and provided he has at least eight years of credited service. Payments thereof shall be made except under the following conditions:
 - (1) Once a year the board may require such pensioner to undergo a medical examination by three physicians appointed by the board, and should such physicians thereupon report and certify to the board that the member is no longer incapacitated to perform his duties then his disability annuity shall cease.

The Pension Act of 1975

- (2) Any pensioner, who has been receiving disability benefits for at least two years, and in the opinion of three qualified physicians appointed by the board, is capable of performing gainful alternate employment with the city, may be offered, at the discretion of the board, such gainful alternate employment at a salary equal to his former salary. If the pensioner refuses such gainful alternate employment with the city, the board may discontinue all disability payments to the pensioner.
- (d) On or after January 1, 1975, any member who terminates service after having attained age 40 with eight or more years of credited service who continues making contributions until attainment of age 50 as provided in section 4 (d) shall be eligible to receive a pension.
- (e) Any member upon attainment of age 50 who has complied with the provisions of section 6 (d) and who files a proper application with the board shall be eligible to receive a pension.

Section 8. Pension Allowance. -

- (a) The amount of the monthly pension shall be calculated by multiplying the amount determined in paragraph (1) by the fraction determined in paragraph (2) and if applicable, by adding a service increment in accordance with paragraph (3) and where applicable by applying the reduction determined in paragraph (4).
 - (1) If the average monthly earnings of an employee who became a member prior to January 1, 1975 are less than \$450, 60% of such earnings but not less than \$130 per month; if the average monthly earnings of an employee who became a member prior to January 1, 1975 are \$450 or more; then 55% of the first \$650 of such earnings plus 30% of the excess of such earnings but not less than \$270 per month; if the employee became a member on or after January 1, 1975, 50% of the member's average monthly earnings.
 - (2) The ratio that the member's years of credited service (years and completed months to two decimals) up to a maximum of 20 is to 20.

The Pension Act of 1975

- (3) A service increment which shall be 1% of the member's average monthly earnings for each full year of credited service in excess of 20 and rendered prior to age 65. Such increment shall be limited to a maximum of \$100 per month.

- (4) If the member has no credited service prior to January 1, 1975, his pension shall be reduced upon his attainment of age 65 by an amount equal to 50% of the primary insurance amount paid or payable to him and subject to the following provisions:
 - (i) The eligibility of such member for the old-age insurance benefit and the amount of such benefit upon which the reduction in his pension shall be based shall be determined by the board in accordance with the provisions of the Federal Social Security Act, 42 U.S.C. sections 301 et. seq., in effect at the date his pension payments begin, except that in determining such eligibility and such amount only wages or compensation for services covered by this fund shall be included.

 - (ii) Whenever the amount of the reduction from the pension shall have been once determined, it shall remain fixed for the duration of the pension except that any decrease in the old-age insurance benefit under the Federal Social Security Act, 42 U.S.C. sections 301 et. seq., shall result in a corresponding decrease in the amount of the reduction from the pension.

 - (iii) The reduction shall not be more than one-half of the pension to which the member is otherwise entitled under the provisions of this act.

- (b) The amount of any monthly pension of a member who terminates service prior to age 60 shall be either of the following as the member may elect at the time of termination of service:
 - (1) A deferred pension, commencing on attainment of age 60, computed under the provisions of subsection (a) based only on credited service and average monthly earnings to the date of early retirement; or

The Pension Act of 1975

- (2) A reduced pension commencing prior to age 60, equal to the deferred pension to which the member would have been eligible had he so elected, reduced 1/2% for each month that the commencement of the pension precedes the month of the member's attainment of age 60.
- (c) The amount of any monthly pension for a 25-year retirement, as described in section 7 (a) and (e) shall be determined in accordance with subsection (a) and payable immediately upon retirement without reduction on that portion of the member's average monthly earnings up to \$650. The amount of the pension determined in accordance with subsection (a), attributable to the member's average monthly earnings in excess of \$650 shall be reduced 1/2% for each month that the commencement of the pension precedes the month of the member's attainment of age 60.
- (d) The amount of any monthly pension for a disability retirement shall be determined in accordance with subsection (a) based upon his average monthly earnings at the date of disability and determined as though the member had attained age 60 and completed the greater of his actual credited service or 20 years of service.
- (e) The amount of any pension granted pursuant to section 7 (d) shall be either of the following as the member may elect in his application for pension;
 - (1) a deferred pension, after attainment of age 60, computed under the provisions of subsection (a) but based on credited service and average monthly earnings to the date of termination; or
 - (2) an early pension, commencing prior to age 60 but after attainment of age 50, determined in accordance with the provisions of paragraph (1), reduced 1/2% for each month that the commencement of the regular pension precedes the month of the member's attainment of age 60.

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Section 9. Death Benefits. -

- (a) In the event of the death on or after January 1, 1975 of a member in active service who shall have had at least eight years of credited service and shall have attained age 50, a survivor benefit shall become payable to his surviving spouse, if any, in an amount which shall be equal to 50% of the pension amount determined in section 8 (a) which would have been payable had the deceased member retired on the day before his death. The amount of the survivor's benefits determined above shall be further reduced by 1% for each year in excess of five years that the spouse is younger than the deceased member. The survivor's benefits shall be payable as long as the spouse lives or until remarriage.
- (b) In the event of the death of any member in active service before the member has eight years of credited service and attains age 50, the member's accumulated contributions without interest shall be paid to such person or persons as he shall have designated in writing and filed with the board or if he has not so designated, then paid to his estate.
- (c) Any married person who retires under the provisions of this act may elect in writing at the time of retirement to reserve in the fund up to \$100 per month from his pension payments which amount shall be payable to his surviving spouse after his death, provided, that such person shall have been married to his spouse for not less than two years. In the event the spouse of a pensioner shall predecease such pensioner, the pensioner shall revert to full pension payments for the remainder of his life. The surviving spouse shall be entitled commencing the first day of the month in which the death of the pensioner occurred to receive monthly payments equal to such monthly amount deducted up to \$100 per month and such payments shall terminate upon the death or remarriage of such surviving spouse.
- (d) In no case shall the total of payments made to a member or pensioner and his surviving spouse, if any, or his beneficiary or estate be less than the deceased member's accumulated contributions to the fund.

The Pension Act of 1975

Section 10. Payment of Benefits. -

- (a) Monthly payments for immediate pensions shall be payable beginning with the first full calendar month following the month in which retirement occurs or the calendar month in which application for pension is made, whichever is later.
- (b) The first of any deferred vested pension shall be paid as follows:
 - (1) for pensions commencing after attainment of age 60, the later of: (i) the calendar month next following the member's 60th birthday, or (ii) the calendar month in which the application for such payment is made; or
 - (2) for pensions commencing prior to attainment of age 60, the later of: (i) the calendar month next following the member's 50th birthday, or (ii) the calendar month in which application for such pension is made.
- (c) The last payment of any pension shall be payable for the month in which the death of the pensioner shall occur.
- (d) A pension payable under this act shall cease when the pensioner returns to city employment. Pension payments shall be resumed upon subsequent discontinuance of service.

Section 11. Supplementary Medical Insurance Premium. -

Present and future pensioners and their spouses who are eligible for the supplementary medical insurance coverage under social security shall receive, in addition to their regular pension, an amount per month equal to the supplementary medical insurance premium for the eligible pensioner and his spouse. The first payment of this additional amount shall be for the month in which the pensioner or his spouse attains the age of 65. Disabled pensioners, who are also in receipt of social security disability benefits and are eligible for the supplementary medical insurance coverage shall receive this additional amount beginning with the month that they become first eligible for the supplementary medical insurance coverage.

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Section 12. Miscellaneous Provisions.—

- (a) The right to a benefit, and the moneys in the fund herein mentioned shall not be subject to attachment or execution, and shall be payable only to the pensioner, his spouse or his designated beneficiary and shall not be subject to assignment or transfer.
- (b) When a pensioner shall or may hereafter be employed by the Government of the United States or the Commonwealth of Pennsylvania, or the same county in which the city is located, or by any subdivision of such counties, the board shall not have the authority to suspend pension payments to such pensioner during the period of such employment.

Section 13. Effective Date -

Effective Date.--This act shall take effect January 1, 1975.

Ordinance 13 of 1987

AN ORDINANCE

SUPPLEMENTING THE PITTSBURGH CODE, TITLE ONE, ADMINISTRATIVE, ARTICLE XI PERSONNEL BY ADDING CHAPTER 192, "PENSION BENEFIT PLANS" AND SECTION 192.01, "DEFINITIONS"

WHEREAS, the City has elected by Resolution 839 of 1985 to utilize Recovery Program Level III under the "Municipal Pension Plan Funding Standard and Recovery Act (Act No. 205 of 1984, Public Law 1005, 53 P.S. 895.101 et. seq.) (hereafter referred to as the Act); and

WHEREAS, the Act requires, as a mandatory element of Recovery Program Level III, that the City establish revised benefit plans for each of the City's pension plans for newly hired employees;

The Council of the City of Pittsburgh hereby enacts as follows:

Section 1. -

The Pittsburgh Code is hereby supplemented by the addition of the following new chapter and section.

Chapter 192 - Pensions

192.01

Definitions. -

The following terms shall have the following respective meanings for the purpose of this Chapter unless a different meaning is plainly required by the context.

192.01.01

Accumulated Contributions. -

Means the sum of a member's contributions to the respective benefit plan.

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192.01.02 **Average Monthly Earnings. -**

Means the average of the last 48 consecutive months of the contributory earnings during employment by the city immediately preceding retirement or termination of service.

However, with respect to a member who would have otherwise been a member of Municipal Benefit Plan No. 1 as defined herein but for his election of coverage under a Municipal Benefit Plan No. 2, as herein defined, his average monthly earnings shall mean an amount equal to the sum of (i) and (ii) below:

- (i) the member's average monthly earnings as determined under the Municipal Benefit Plan No. 1 but multiplied by a fraction, the numerator of which is his credited service determined under such benefit plan and the denominator of which is his total credited service under such benefit plan and the Municipal Benefit Plan No. 2.
- (ii) the member's average monthly earnings as determined under the Municipal Benefit Plan No. 2 but multiplied by a fraction, the numerator of which is his credited service determined under such Benefit Plan No. 2 and the denominator of which is his total credited service under Benefit Plan No. 1 and Benefit Plan No. 2.

192.01.03 **Benefit Plan. -**

Means that portion of a pension plan which deals specifically with the retirement annuity and benefit coverage provided by the pension plan, including, but not limited to, the types of coverage, the eligibility for and entitlement to retirement annuities and benefits, and the amount of retirement annuities and benefits.

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- 192.01.04** **Benefit Plan No. 1. -**
Means the benefit plan established under the following statutory provisions which provide benefits for members employed by the city, the Bureau of Police or the Bureau of Fire prior to January 1, 1988.
- Municipal Benefit Plan No. 1 - Act of May 28, 1915, P.L. 596, as amended, 53 P.S. 23581 et. seq.
- Policemen's Benefit Plan No. 1 - Act of April 5, 1917, P.L. 39, as amended, 53 P.S. 23642 et. seq.
- Firemen's Benefit Plan No. 1 - Act of May 25, 1933, P.L. 1050, as amended, 53 P.S. 23601 et. seq.
- 192.01.05** **Benefit Plan No. 2. -**
Means the benefit plans established pursuant to the provisions of this Chapter.
- 192.01.06** **Beneficiary. -**
Means the person or persons last designated in writing by a member to receive his accumulated contributions at the time of his death.
- 192.01.07** **Board. -**
Means the Board of Managers established for each of the pension plans pursuant to the following Acts:
- Municipal Pension Plan - Act of May 28, 1915, P.L. 596, as amended, 53 P.S. 23581 et. seq.
- Policemen's Pension Plan - Act of April 5, 1917, P.L. 39, as amended, 53 P.S. 23642 et. seq.
- Firemen's Pension Plan - Act of May 25, 1933, P.L. 1050, as amended, 53 P.S. 23601 et. seq.

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- 192.01.08 City. -**
Means the City of Pittsburgh and any agency or authority created by the City of Pittsburgh, or created by the City of Pittsburgh jointly with other cities or with another political subdivision or created by another political subdivision and joined by the City, except where such agency or authority has in effect its own pension or retirement plan maintained without reference to the provisions of any benefit plan referenced hereunder, in which case such pension or retirement plan shall be exclusive and such agency's or authority's employees shall not be entitled to any rights under a plan benefit.
- 192.01.09 Comprehensive Municipal Pension Trust Fund. -**
Means the fund established by the city under Ordinance 25 of 1986 and pursuant to the requirements of Act 205 of 1984, P.H. 1005, 53 P.S. 895.101 et. seq.
- 192.01.10 Credited Service. -**
Means any service of a member used in the determination of benefits provided that the required contributions have been made and are credited to his account in the fund.
- 192.01.11 Early Retirement Age. -**
Means attainment of the stated age and required service to qualify for an early retirement benefit provided under a benefit plan.
- 192.01.12 Firemen's Benefit Plan No. 1. -**
Means the Benefit Plan No. 1 established pursuant to Act of May 25, 1933, P.L. 1050 as amended to provide retirement benefits to members employed by the Bureau of Fire of the City prior to January 1, 1988.
- 192.01.13 Firemen's Benefit Plan No. 2. -**
Means the benefit plan established pursuant to the provisions of this Chapter which provides benefits to those members employed by the Bureau of Fire of the city after December 31, 1987 and those individuals who were employed by the Bureau of Fire prior to January 1, 1988 who have irrevocably elected to cease membership under the Firemen's Benefit Plan No. 2.
- 192.01.14 Firemen's Pension Plan. -**
Means the plan by which the City provides retirement benefits to members under the terms of Firemen's Benefit Plan No. 1 and Firemen's Benefit Plan No. 2.
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- 192.01.15 Fund. -**
Means the created by the City in accordance with the statutory provisions contained in either the Act of May 28, 1915, P.L. 596, No. 259, (Municipal Fund), Act of May 25, 1933, P.L. 1050 (Firemen's Fund) and Act of April 5, 1917, P.L. 39 (Policemen's Fund)
- 192.01.16 Member. -**
Means any employee or former employee who is making contributions to one of the pension plans in accordance with the provisions contained in the applicable benefit plan and any employee whose contributions have been discontinued due to the attainment of age 65.
- 192.01.17 Member Contributions. -**
Means the product of the compensation of the member and the contribution rate specified in the applicable pension plan.
- 192.01.18 Normal Retirement Age. -**
Means the age at which a member is entitled to receive an unreduced retirement benefit after completing a specified number of years of service as defined in the applicable benefit plan.
- 192.01.19 Municipal Benefit Plan No. 1. -**
Means the benefit plan established pursuant to the Act of May 28, 1915 (P.L. 596, No. 259) as amended to provide retirement benefits to members employed prior to January 1, 1988.
- 192.01.20 Municipal Benefit Plan No. 2. -**
Means the benefit plan established pursuant to the provisions of this Chapter to provide retirement benefits to eligible employees employed after December 31, 1987 and employees who had been employed prior to January 1, 1988 who had been members under Municipal Benefit Plan No. 1 and who have elected to cease membership under Municipal Benefit Plan No. 1 and commence membership under Municipal Benefit Plan No. 2.
- 192.01.21 Municipal Pension Plan. -**
Means the pension plan in which the City provides retirement benefits to eligible members under the terms Municipal Benefit Plan No. 1 and Municipal Benefit Plan No. 2.

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- 192.01.22 Pension Plan. -**
Means the various aspects of the relationship between a municipality and its employees with respects to the retirement coverage provided by a municipality to the employees.
- 192.01.23 Pensioner. -**
Means any employee who has terminated service under one of the pension plans and is receiving or has filed an application to receive pension benefits pursuant to the benefit plan in which he was a member.
- 192.01.24 Policemen's Benefit Plan No. 1. -**
Means the benefit plan established under Act of April 5, 1917, P.L. 39, as amended by statue, resolution or ordinance to provide retirement benefits to members employed prior to January 1, 1988.
- 192.01.25 Policemen's Benefit Plan No. 2. -**
Means the benefit plan established pursuant to the provisions of this Chapter for the purpose of providing retirement benefits to those members employed by the Bureau of Police after December 31, 1987 or those individuals who were employed by the Bureau of Police prior to January 1, 1988 who have irrevocably elected to cease membership under the Policemen's Benefit Plan No. 1 and commence membership under Policemen's Benefit Plan No. 2.
- 192.01.26 Policemen's Pension Plan. -**
Means the plan by which the City provides retirement benefits to members under the terms of the Policemen's Benefit Plan No. 1 and Policemen's Benefit Plan No. 2.
- 192.01.27 Total and Permanent Disability. -**
Means permanent incapacity due to bodily injury or disease which for period of at least six consecutive months has rendered the member unable to perform the duties for which he was employed. Proof of total and permanent disability shall consist of the sworn statement of three practicing physicians who have been designated by the board that the member is in a permanent condition of health which would totally disable him from performing the duties of his postion or office.

Ordinance 14 of 1987

AN ORDINANCE

SUPPLEMENTING THE PITTSBURGH CODE, TITLE ONE,
ADMINISTRATIVE, ARTICLE XI, PERSONNEL, CHAPTER 192, PENSIONS,
BY ADDING SECTION 192.02, "MUNICIPAL BENEFIT PLAN NO. 2"

WHEREAS, the City has elected by Resolution 839 of 1985 to utilize Recovery Program Level III under the "Municipal Pension Plan Funding Standard and Recovery Act" (Act No. 205 of 1984, Public Law 1005, 53 P.S. 895.101 et. seq.) (hereafter referred to as the "Act"); and

WHEREAS, the Act requires, as a mandatory element of Recovery Program Level III, that the City establish revised benefit plans for each of the City's pension plans for newly hired employees;

The Council of the City of Pittsburgh hereby enacts as follows:

Section 1. -

The Pittsburgh Code is hereby supplemented by the addition of the following sections:

192.02 Municipal Benefit Plan No. 2

192.02.01 Establishment of Municipal Benefit Plan No. 2

There is hereby established a pension benefit plan which shall be known as the "Municipal Benefit Plan No. 2" for eligible employees of the City of Pittsburgh hired on or after January 1, 1988. The provisions contained in this Municipal Benefit Plan No. 2 shall become a part of the Municipal Pension Plan. This Municipal Benefit Plan No. 2 specifically incorporates all of the provisions contained in Municipal Benefit Plan No. 1 except to the extent that such provisions are specifically addressed and revised herein. Any reference in this section to a Benefit Plan No. 1, Benefit Plan No. 2 or Pension Plan shall be deemed to refer specifically to pertinent portions of the Municipal Pension Plan.

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192.02.02 Membership

- (a) Membership shall be mandatory for all full-time employees hired on or after the effective date (January 1, 1988) of this Benefit Plan No. 2 following a 90-day probationary period; except that the following employees shall not be entitled to membership:
 - (1) Employees protected by other pension systems authorized by the laws of this State.
 - (2) Any temporary employees who do not have contributions in the Municipal Pension Plan attributable to former membership in this Benefit Plan No. 2.
 - (3) Pensioners who are receiving full retirement benefits under the Municipal Pension Plan and return to service.
 - (4) Any employees who are members under Benefit Plan No. 1 and do not elect membership under this Benefit Plan No. 2 within the time period established by the board.
- (b) Membership shall be mandatory for a temporary employee rehired on or after January 1, 1988 who was formerly a full-time employee and who has not withdrawn his accumulated contributions from the Municipal Pension Plan.
- (c) Membership shall be mandatory for any former employee who reenters the service of the city on or after the effective date of this Benefit Plan No. 2 and who does not reinstate his prior membership service under Benefit Plan No. 1. If any such former employee does reinstate his prior membership service under Benefit Plan No. 1, he shall continue to be a member under Benefit Plan No. 1.
- (d) Membership may continue for any employee on an approved leave of absence for a period of up to two years during which he makes the required contributions.
- (e) Membership shall continue for an employee who has terminated service after eight or more years of credited service and has elected to leave his contributions in the Municipal Pension Plan.

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- (f) An employee who is a member under Benefit Plan No. 1 may irrevocably elect out of membership under Benefit Plan No. 1 and into membership under this Benefit Plan No. 2 during the period of July 1, 1988 through September 30, 1988.
- (g) Membership and all rights to benefits provided by this Benefit Plan No. 2 shall cease at the time an employee terminates city service and withdraws his accumulated contributions.

192.02.03 Contributions by Members

- (a) Each member shall contribute to the Municipal Pension Plan 4% of his salary or wages.
- (b) The city shall cause to be deducted the required member contributions from each payroll and shall promptly send the amounts deducted to the comprehensive fund.
- (c) Payment of the amount of contribution herein mentioned shall be discontinued at the time the member retires, terminates service, attains age 65 with 20 or more years of credited service, dies or becomes totally and permanently disabled.
- (d) Each person who becomes an employee of the city in the Bureau of Fire or the Bureau of Police, and who is not entitled to retirement benefits for such service under another retirement system and who desires to have such service credited under this Benefit Plan No. 2, shall be required to pay to the Municipal Pension Plan an amount equal to 4% of the total salary or wages received by him for each month of service for which he wishes to receive credit together with interest at the rate earned by the comprehensive or other applicable fund during the period of such employment. Such amount shall be deducted from the monthly salary or wages of the member over a period of two years or in such manner and period as the board may determine. Upon full payment of the amount due, the member shall receive full credit for said period of service. If any member shall be injured while in the actual performance of duty before he shall have made full contribution for past service, so long as the disability continues, he shall be eligible for pension under this Benefit Plan No. 2, but any amount which he shall not yet have paid to the Municipal Pension Plan as a contribution for past services under this section at the date of his injury shall be paid, if the board, in its discretion, shall so determine, in such monthly amounts as the board may determine, which amounts shall be deducted from his or her pension as and when monthly payments thereof shall be made.

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- (e) Any member may purchase full credit toward his pension for each year of service with an agency or authority prior to the time such agency or authority joined the Municipal Pension Plan upon his producing proof satisfactory to the board of the number of years of such service and upon his making back payments as if he had been a member of this Benefit Plan No. 2 at the time of such service. The amount due may be paid in a lump sum or by installments, as may be agreed upon by the member and the board. If the employee is retired under this Benefit Plan No. 2 before the payments have been completed, his pension shall be reduced by an amount equivalent to the unpaid balance of the amount due.
- (f) If a member terminates service before he is eligible to receive a pension, his accumulated contributions shall be refunded in full.
- (g) Any former employee who has received a refund of his accumulated contributions and who shall reenter the service of the city, shall be eligible to receive credit for all previously credited service by restoring to the Municipal Pension Plan the total accumulated contributions withdrawn.
- (h) Any pensioner who had less than 20 years credited service or who had elected to receive an early reduced pension and who returns to service on or after the effective date of this Benefit Plan No. 2 shall start contributing at 4% of his salary or wages and shall be entitled to have his subsequent retirement pension be determined on the basis of his total service history by restoring to the Municipal Pension Plan the total of the amount received in pension payments.
- (i) School crossing guards who are members of this Benefit Plan No. 2 shall be given an opportunity to contribute full member contributions for the months of June, July and August of each year in which they are covered under this plan and thereby receive credit for these months for purposes of both benefit calculations and average monthly earnings.

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192.02.04 Contributions by the City

- (a) The public officials of the City charged with the disbursements, expenditures, and appropriations, shall annually set aside, apportion, and appropriate, out of all taxes and income of the City, to the comprehensive fund, a sum sufficient to maintain the pensions due under the Municipal Pension Plan. If the total disbursements from the Municipal Pension Plan for the payment of pensions, refund of accumulated contributions of members, and administration expenses shall exceed in any year the total revenues of the Municipal Pension Plan from member contributions and the interest and premiums on investments and bank deposits, then the amount to be set aside, apportioned and appropriated by the public officials of the City to the Municipal Pension Plan shall not be less than the difference between the total disbursements and receipts of the Municipal Pension Plan as aforesaid.
- (b) Every authority or agency, whose employees are members of Benefit Plan No. 2 shall be held liable for the amount due to the fund on account of benefits provided by this Benefit Plan No. 2 which are paid to employees of such authority or agency. Provided, however, that where an employee of the authority or agency formerly worked for the City, the authority or agency shall be held liable for that proportionate part of the pension or other benefits paid which the authority or agency bears to the total credited service.
- (c) All contributions required to be made under the Municipal Pension Plan relating to regular member contributions for current service shall be picked up by the City and shall be treated as City contributions in determining tax treatment under the United States Internal Revenue Code for federal tax purposes. For all other purposes, under the Municipal Pension Plan and otherwise, the pick up contributions shall be treated as contributions made by a member in the same manner and to the same extent as contributions made by a member prior to January 1, 1988.

192.02.05 Credited Service

- (a) Credited Service shall be computed from the time of the first or original employment; said employment shall consist of service to the City, and need not be continuous, provided that contributions have been made in accordance with subsections (a), (g) and (h) of section 192.02.03 for all periods of service.

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- (b) Any employee shall receive full credit for each year of service for which credit has been purchased under the provisions of subsections (d) and (e) of section 192.02.03.
- (c) Any employee who shall have enlisted or been drafted to serve in the Armed Forces of the United States in time of war or shall have been drafted to serve in the Armed Forces of the United States in time of peace, shall have such service credited in full to his service record as service to the City.

192.02.06 Pension Allowance

- (a) The amount of the monthly pension shall be calculated by multiplying the amount determined in paragraph (1) by the fraction determined in paragraph (2) and if applicable, by adding a service increment in accordance with paragraph (3) and where applicable by applying the reductions determined in paragraph (4) and paragraph (5).
 - (1) 50% of the member's average monthly earnings.
 - (2) The ratio that the member's years of credited service (years and completed months to two decimals) up to a maximum 20 is to 20.
 - (3) A service increment which shall be 1% of the member's average monthly earnings for each full year of credited service in excess of 20 and rendered prior to age 65. Such increment shall be limited to a maximum of \$100 per month.
 - (4) The member's pension shall be reduced upon his attainment of age 65 by an amount equal to 50% of the primary insurance amount paid or payable to him under the federal Social Security Act and subject to the following provisions:
 - (i) The eligibility of such member for the old-age insurance benefit and the amount of such benefit upon which the reduction in his pension shall be based shall be determined by the board in accordance with the provisions of the federal Social Security Act, 42 U.S.C. Sections 301 et. seq., in effect at the date his pension payment begin, except that in determining such eligibility and such amount only wages or compensation for services covered by this Benefit Plan No. 2 shall be included.

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- (ii) Whenever the amount of the reduction from the pension shall have been once determined, it shall remain fixed for the duration of the pension except that any decrease in the old-age insurance benefit under the federal Social Security Act, 42 U.S.C. Sections 301 et. seq., shall result in a corresponding decrease in the amount of the reduction from the pension.
 - (iii) The reduction shall not be more than one-half of the pension to which the member is otherwise entitled under the provisions of this Benefit Plan No. 2.
- (5) The member's pension shall be reduced for any periodic payments to him or on his behalf pursuant to worker's compensation laws on account of his employment with the City, provided, however, that the pension benefit will be limited so that, when added to the monthly worker's compensation benefit, the sum will not exceed the regular monthly earnings of the member at the time of disablement.
- (b) The amount of any monthly pension of a member who terminates service prior to age 60 shall be either of the following as the member may elect at the time of termination of services:
 - (1) a deferred pension, commencing on attainment of age 60, computed under the provisions of subsection (a) based only on credited service and average monthly earnings to the date of early retirement; or
 - (2) a reduced pension, commencing prior to age 60, equal to the deferred pension to which the member would have been eligible had he so elected, reduced 1/2% for each month that the commencement of the pension precedes the month of the member's attainment of age 60.

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- (c) The amount of any monthly pension for a disability retirement for a member who sustains the disability in the actual performance of duty regardless of length of service or incurs a disability outside the performance of his duties but after 8 years of credited service shall be determined in accordance with subsection (a) based upon (i) or (ii) below, whichever is applicable;
- (i) if total and permanent disability is incurred prior to age 60, the member's average monthly earnings shall be determined at the date of disability and credited service shall be determined as though the member had attained age 60 and completed the greater of (1) his actual credited service of (2) the lesser of 20 years of credited service or the number of years of credited service he would have completed had he continued to receive credit for service until age 60; or
 - (ii) if total and permanent disability is incurred on or after age 60, the member's average monthly earnings and actual credited service shall be determined at the date of disability.
- (d) The amount of any pension to a member who has terminated service after attaining age 40 with at least 8 years of service shall be either of the following as the member may elect in his application for pension provided that such member continues to make member contributions until age 50:
- (i) a deferred pension, after attainment of age 60, computed under the provisions of subsection (a) but based on credited service and average monthly earnings to the date of termination.
 - (ii) an early pension, commencing prior to age 60, but after attainment of age 50, determined in accordance with the provisions of paragraph (1), reduced 1/2% for each month that the commencement of the regular pension precedes the month of the member's attainment of age 60.
- (e) Specifically excluded from this Benefit Plan No. 2 are any benefits provided under section 11 of Benefit Plan No. 1 for the payment of supplementary medical insurance premiums.

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192.02.07 **Death Benefits**

- (a) In the event of the death of a member in active service who shall have had at least eight years credited service and shall have attained age 50, a survivor benefit shall become payable to his surviving spouse, if any, in an amount which shall be equal to 50% of the pension amount determined in section 192.02.06 which would have been payable had the deceased member retired on the day before his death. The amount of the survivor's benefits determined above shall be further reduced by 1% for each year excess of five years that the spouse is younger than the deceased member. The survivor's benefit shall be payable as long as the spouse lives or until remarriage.

- (b) In the event of the death of any member in active service before the member has eight years of credited service and attains age 50, the member's accumulated contributions without interest shall be paid to such person or persons as he shall have designated in writing and filed with the board or if he has not so designated, then paid to his estate.

- (c) Any married person who retires under the provisions of this Benefit Plan No. 2 may elect in writing at the time of retirement to receive a monthly pension determined in accordance with section 192.02.06 which shall be further reduced in accordance with Table B attached hereto (depending on the ages of the pensioner and his spouse at the time of retirement), with 50% of such amount payable to his surviving spouse after his death, provided that such person shall have been married to his spouse for not less than one year. In the event the spouse of a pensioner shall predecease such pensioner, the pensioner shall continue to receive such reduced pension payments for the remainder of his life. The surviving spouse shall be entitled, commencing the first day of the month next following the death of the pensioner, to receive monthly payments equal to 50% of the monthly amount paid to the pensioner and such payments shall terminate upon the death of such surviving spouse.

- (d) In no case shall the total of payments made to a member or pensioner and his surviving spouse, if any, or his beneficiary or estate be less than the deceased member's accumulated contributions to the comprehensive fund.

Ordinance 14 of 1987

192.02.08 Payment of Benefits

- (a) Monthly payments for immediate pensions shall be payable beginning with the first full calendar month following the month in which retirement occurs or the calendar month in which application for pension is made, whichever is later.
- (b) The first of any deferred vested pension shall be paid as follows:
 - (1) for pensions commencing on or after attainment of age 60, the later of: (i) the calendar month next following the member's 60th birthday, or (ii) the calendar month in which the application for such payment is made; or
 - (2) for pensions commencing prior to attainment of age 60; the later of (i) the calendar month next following the member's 50th birthday, or (ii) the calendar month in which application for such pension is made.
- (c) The last payment of any pension shall be payable for the month in which the death of the pensioner shall occur.
- (d) A pension payable under the Municipal Pension Plan shall cease when the pensioner returns to city employment. Pension payments shall be resumed upon subsequent discontinuance of service.
- (e) Notwithstanding the above, the provisions of Ordinance No. 57 of 1985 shall remain in effect.

Ordinance 14 of 1987

**City of Pittsburgh
Municipal Pension Plan**

50% Survivor Benefit Option

**Table B:
Conversion Factors for
Members Hired After
December 31, 1974**

City of Pittsburgh Municipal Pension Plan

50% Survivor Benefit Option

TABLE B: Conversion Factors for

Participant Age

Spouse Age	50	51	52	53	54	55	56	57	58
40	94.7	94.3	93.9	93.4	93.0	92.4	91.9	91.3	90.7
41	94.8	94.4	94.0	93.6	93.1	92.6	92.0	91.4	90.8
42	94.9	94.5	94.1	93.7	93.2	92.7	92.1	91.6	90.9
43	95.0	94.6	94.2	93.8	93.3	92.8	92.3	91.7	91.1
44	95.2	94.8	94.3	93.9	93.4	93.0	92.4	91.9	91.2
45	95.3	94.9	94.5	94.0	93.6	93.1	92.6	92.0	91.4
46	95.4	95.0	94.6	94.2	93.7	93.2	92.7	92.2	91.6
47	95.5	95.1	94.7	94.3	93.9	93.4	92.9	92.3	91.7
48	95.6	95.2	94.9	94.4	94.0	93.5	93.0	92.5	91.9
49	95.7	95.4	95.0	94.6	94.1	93.7	93.2	92.7	92.1
50	95.9	95.5	95.1	94.7	94.3	93.8	93.4	92.8	92.3
51	96.0	95.6	95.3	94.9	94.5	94.0	93.5	93.0	92.5
52	96.1	95.8	95.4	95.0	94.6	94.2	93.7	93.2	92.7
53	96.2	95.9	95.5	95.2	94.8	94.3	93.9	93.4	92.9
54	96.4	96.0	95.7	95.3	94.9	94.5	94.1	93.6	93.1
55	96.5	96.2	95.8	95.5	95.1	94.7	94.2	93.8	93.3
56	96.6	96.3	96.0	95.6	95.3	94.9	94.4	94.0	93.5
57	96.8	96.4	96.1	95.8	95.4	95.0	94.6	94.2	93.7
58	96.9	96.6	96.3	95.9	95.6	95.2	94.8	94.4	93.9
59	97.0	96.7	96.4	96.1	95.8	95.4	95.0	94.6	94.1
60	97.1	96.9	96.6	96.3	95.9	95.6	95.2	94.8	94.3
61	97.3	97.0	96.7	96.4	96.1	95.8	95.4	95.0	94.5
62	97.4	97.2	96.9	96.6	96.3	95.9	95.6	95.2	94.8
63	97.5	97.3	97.0	96.8	96.4	96.1	95.8	95.4	95.0
64	97.7	97.4	97.2	96.9	96.6	96.3	96.0	95.6	95.2
65	97.8	97.6	97.3	97.1	96.8	96.5	96.2	95.8	95.4
66	97.9	97.7	97.5	97.2	97.0	96.7	96.4	96.0	95.7
67	98.1	97.8	97.6	97.4	97.1	96.8	96.6	96.2	95.9
68	98.2	98.0	97.8	97.5	97.3	97.0	96.7	96.4	96.1
69	98.3	98.1	97.9	97.7	97.5	97.2	96.9	96.6	96.3
70	98.4	98.2	98.0	97.8	97.6	97.4	97.1	96.8	96.5
71	98.5	98.4	98.2	98.0	97.8	97.5	97.3	97.0	96.7
72	98.6	98.5	98.3	98.1	97.9	97.7	97.5	97.2	96.9
73	98.7	98.6	98.4	98.2	98.0	97.8	97.6	97.4	97.1
74	98.8	98.7	98.5	98.4	98.2	98.0	97.8	97.5	97.3

Mortality Basis

Participant: 1983 Group Annuity Male Table Set Back 2 Years
 Spouse: 1983 Group Annuity Male Table Set Back 3 Years

Members Hired After December 31, 1974

Participant Age

59	60	61	62	63	64	65	66	67	68	69	70
90.0	89.2	88.4	87.5	86.5	85.3	84.0	82.9	81.8	80.6	79.3	78.0
90.1	89.4	88.5	87.6	86.6	85.5	84.2	83.1	82.0	80.8	79.5	78.2
90.3	89.5	88.7	87.8	86.8	85.7	84.5	83.4	82.2	81.0	79.7	78.5
90.4	89.7	88.9	88.0	87.0	85.9	84.7	83.6	82.4	81.2	80.0	78.7
90.6	89.9	89.1	88.2	87.2	86.1	84.9	83.8	82.7	81.5	80.2	78.9
90.7	90.0	89.2	88.4	87.4	86.4	85.1	84.1	82.9	81.7	80.5	79.2
90.9	90.2	89.4	88.6	87.6	86.6	85.4	84.3	83.2	82.0	80.8	79.5
91.1	90.4	89.6	88.8	87.9	86.8	85.7	84.6	83.5	82.3	81.1	79.8
91.3	90.6	89.8	89.0	88.1	87.1	85.9	84.9	83.8	82.6	81.4	80.1
91.5	90.8	90.1	89.2	88.3	87.3	86.2	85.2	84.1	82.9	81.7	80.4
91.7	91.0	90.3	89.5	88.6	87.6	86.5	85.5	84.4	83.2	82.0	80.7
91.9	91.2	90.5	89.7	88.8	87.9	86.8	85.8	84.7	83.5	82.3	81.1
92.1	91.4	90.7	90.0	89.1	88.2	87.1	86.1	85.0	83.9	82.7	81.4
92.3	91.6	91.0	90.2	89.4	88.5	87.5	86.4	85.4	84.2	83.0	81.8
92.5	91.9	91.2	90.5	89.7	88.8	87.8	86.8	85.7	84.6	83.4	82.2
92.7	92.1	91.4	90.7	89.9	89.1	88.1	87.2	86.1	85.0	83.8	82.6
92.9	92.3	91.7	91.0	90.2	89.4	88.5	87.5	86.5	85.4	84.2	83.0
93.2	92.6	92.0	91.3	90.5	89.9	88.9	87.9	86.9	85.8	84.6	83.5
93.4	92.8	92.2	91.6	90.8	90.1	89.2	88.3	87.3	86.2	85.1	83.9
93.6	93.1	92.5	91.8	91.2	90.4	89.6	88.7	87.7	86.6	85.5	84.4
93.8	93.3	92.8	92.1	91.5	90.8	90.0	89.1	88.1	87.1	86.0	84.8
94.1	93.6	93.0	92.4	91.8	91.1	90.4	89.5	88.5	87.5	86.5	85.3
94.3	93.8	93.3	92.7	92.1	91.5	90.8	89.9	89.0	88.0	86.9	85.8
94.6	94.1	93.6	93.0	92.4	91.8	91.2	90.3	89.4	88.5	87.4	86.4
94.8	94.3	93.9	93.3	92.8	92.2	91.6	90.8	89.9	88.9	87.9	86.9
95.0	94.6	94.1	93.6	93.1	92.5	92.0	91.2	90.3	89.4	88.5	87.4
95.3	94.9	94.4	93.9	93.4	92.9	92.4	91.6	90.8	89.9	89.0	88.0
95.5	95.1	94.7	94.2	93.8	93.3	92.8	92.1	91.3	90.4	89.5	88.5
95.7	95.4	95.0	94.5	94.1	93.6	93.2	92.5	91.7	90.9	90.0	89.1
96.0	95.6	95.2	94.8	94.4	94.0	93.6	92.9	92.2	91.4	90.5	89.6
96.2	95.8	95.5	95.1	94.7	94.3	94.0	93.3	92.6	91.9	91.0	90.2
96.4	96.1	95.7	95.4	95.0	94.6	94.4	93.7	93.1	92.3	91.5	90.7
96.6	96.3	96.0	95.6	95.3	95.0	94.7	94.1	93.5	92.8	92.0	91.2
96.8	96.5	96.2	95.9	95.6	95.3	95.1	94.5	93.9	93.2	92.5	91.7
97.0	96.7	96.4	96.1	95.8	95.6	95.4	94.9	94.3	93.7	93.0	92.2

Interest Rate: 7.5%

Ordinance 22 of 2001

AN ORDINANCE

AMENDING AND RESTATING THE PITTSBURGH CODE, TITLE ONE ADMINISTRATIVE, ARTICLE XI, PERSONNEL, CHAPTER 192 IN ITS ENTIRETY TO PROVIDE, IN CERTAIN CASES, FOR THE ELIMINATION OF THE SOCIAL SECURITY OFFSET; STANDARDIZING THE CALCULATION OF THE PENSION ALLOWANCE INCLUSION OF ACTUARIALLY NEUTRAL SURVIVOR BENEFITS; PROVIDE FOR THE PAYMENT OF INTEREST ON PENSION CONTRIBUTIONS AND TO MAKE OTHER CLARIFYING AMENDMENTS.

WHEREAS, the City has determined to provide for the enhancement of certain pension benefits in order to allow better compensation to municipal employees in a manner which fairly burdens the City's taxpayers and avoids unduly burdening an under-funded Municipal Pension Plan; and

WHEREAS, the City has determined that application of limited resources would be fairly applied to allow for the elimination of the social security offset affecting current employees who are members of the Municipal Pension Fund; standardize the calculation of the pension allowance, provide an actuarially neutral survivor benefit to current employees who are members of Municipal Benefit Plan 1 and provide for the payment of interest on contributions for members who seek a return of their contributions; and

WHEREAS, it is within the Mayor's prerogative as Chief Executive to bargain for the extension of such benefits to employees who are subject to collective bargaining agreements and it is the Mayor's express intent to bargain in good faith to extend such benefits to such employees;

Ordinance 22 of 2001

Now, therefore be it resolved by the Council of the City of Pittsburgh as follows:

Section 1. -

That Pittsburgh Code, Title One Administrative, Article XI, Personnel, Chapter 192 is amended and restated in its entirety as follows:

General Provisions

192.01 Definitions

Municipal Benefit Plan No. 2

192.20 Municipal Benefit Plan No. 2

192.21 Establishment of Municipal Benefit Plan No. 2

192.22 Membership

192.23 Contributions by members

192.24 Contributions by the City

192.25 Credited service

192.26 Pension allowance

192.27 Death benefits

192.28 Payment of benefits

Firemen's Benefit Plan No. 2

192.30 Firemen's Benefit Plan No. 2

192.31 Establishment of Firemen's Benefit Plan No. 2

192.32 Membership

192.33 Classification and monthly payments; cost-of-living allowance

Policemen's Benefit Plan No. 2

192.40 Policemen's Benefit Plan No. 2

192.41 Establishment of Policemen's Benefit Plan No. 2

192.42 Membership

192.43 Pension payments; amounts; time

Ordinance 22 of 2001

GENERAL PROVISIONS. -

SECTION 192.01 DEFINITIONS.

The following terms shall have the following respective meanings for the purpose of this chapter unless a different meaning is plainly required by the context.

- (a) **ACCUMULATED CONTRIBUTIONS. -**
The sum of a member's contributions to the respective benefit plan.
- (b) **AVERAGE MONTHLY EARNINGS. -**
The average of the last 48 consecutive months of the contributory earnings during employment by the City immediately preceding retirement or termination of service.
- (c) **BENEFIT PLAN. -**
That portion of a pension plan granted or bargained for which deals specifically with the retirement annuity and benefit coverage provided by the pension plan, including, but not limited to, the types of coverage, the eligibility for and entitlement to retirement annuities and benefits, and the amount of retirement annuities and benefits.
- (d) **MUNICIPAL BENEFIT PLAN NO. 1 OR BENEFIT PLAN NO. 1-**
The benefit plan established under the following statutory provisions which provide benefits for members employed by the City, the Bureau of Police or the Bureau of Fire prior to January 1, 1988.

Municipal Benefit Plan No. 1 - Act of May 28, 1915, P.L. 596, as amended, 53 P.S. Sec. 23581 et. seq.

Policemen's Benfit Plan No. 1 - Act of April 5, 1917, P.L. 39, as amended, 53 P.S. Sec. 23642 et. seq.

Firemen's Benefit Plan No. 1 - Act of May 25, 1933, P.L. 1050, as amended, 53 P.S. Sec. 23601 et. seq.

Ordinance 22 of 2001

(e) **BENEFICIARY. -**

The person or persons last designated in writing by a member to receive his or her accumulated contributions at the time of his or her death.

(f) **BOARD. -**

The Board of Managers established for each of the pension plans pursuant to the following Acts:

Municipal Pension Plan - Act of May 28, 1915, P.L. 596, as amended, 53 P.S. Sec. 23581 et. seq.

Policemen's Pension Plan - Act of April 5, 1917, P.L. 39, as amended, 53 P.S. Sec. 23642 et. seq.

Firemen's Pension Plan - Act of May 25, 1933, P.L. 1050, as amended, 53 P.S. Sec. 23601 et. seq.

(g) **CITY. -**

The City of Pittsburgh and any agency or authority created by the City of Pittsburgh, or created by the City of Pittsburgh jointly with other cities or with another political subdivision or created by another political subdivision and joined by the City, except where the agency or authority has in effect its own pension or retirement plan maintained without reference to the provisions of any benefit plan referenced hereunder, in which case the pension or retirement plan shall be exclusive and the agency's or authority's employees shall not be entitled to any rights under a plan benefit.

(h) **COMPREHENSIVE MUNICIPAL; PENSION TRUST FUND or COMPREHENSIVE FUND. -**

The fund established by the City under Ordinance 25 of 1986 and pursuant to the requirements of Act 205 of 1984, P.S. 1005, 53 P.S. Sec. 895.101 et. seq.

Ordinance 22 of 2001

(i) **INTEREST. -**

Interest shall be simple, at a rate of 5% per annum, payable only to employees of the City who, as of June 30, 2004 are eligible for Interest hereunder. It shall be calculated from the date of withholding, or in the case of direct payments, from the date that payment is made, to the month within which the Municipal Pension Board takes final action approving the refund of the member's contributions.

(j) **MUNICIPAL BENEFIT PLAN NO. 2 OR BENEFIT PLAN NO. 2. -**

The benefit plan established pursuant to the provisions of this chapter to provide retirement benefits to eligible employees employed after December 31, 1987.

(k) **MUNICIPAL PENSION PLAN. -**

The pension plan in which the City provides retirement benefits to eligible members under the terms Municipal Benefit Plan No. 1 and Municipal Benefit Plan No. 2.

(l) **PENSION PLAN. -**

The various aspects of the relationship between a municipality and its employees with respect to the retirement coverage provided by a municipality to the employees.

(m) **PENSIONER. -**

Any employee who has terminated service under one of the pension plans and is receiving or has filed an application to receive pension benefits pursuant to the benefit plan in which he was a member.

(n) **POLICEMEN'S BENEFIT PLAN NO. 1. -**

The benefit plan established under Act of April 5, 1917, P.L. 39, as amended by statute, resolution or ordinance to provide retirement benefits to members employed prior to January 1, 1988.

(o) **POLICEMEN'S BENEFIT PLAN NO. 2. -**

The benefit plan established pursuant to the provisions of this chapter for the purpose of providing retirement benefits to those members employed by the Bureau of Police after December 31, 1987 or those individuals who were employed by the Bureau of Police prior to January 1, 1988 who have irrevocably elected to cease membership under the Policemen's Benefit Plan No. 1 and commences membership under Policemen's Benefit Plan No. 2.

Ordinance 22 of 2001

- (p) **POLICEMEN'S PENSION PLAN. -**
The plan by which the City provides retirement benefits to members under the terms of the Policemen's Benefit Plan No. 1 and Policemens Benefit Plan No. 2.
- (q) **TIER 1 AND TIER 2. -**
Tier 1 refers to the class of employees who became members of Municipal Benefit Plan No. 1 prior to January 1, 1975. Tier 2 refers to employees who became members January 1, 1975 until December 31, 1987.
- (r) **TOTAL AND PERMANENT DISABILITY. -**
Permanent incapacity due to bodily injury or disease which for a period of at least 6 consecutive months has rendered the member unable to perform the duties for which he or she was employed. Proof of total and permanent disability shall consist of the sworn statement of 3 practicing physicians who have been designated by the Board that the member is in a permanent condition of health which would totally disable him or her from performing the duties of his or her position or office.
- (Ord. 13-1987, eff. 9-30-87; Ord. 22 - 2001, Section 1, eff. 10-25-01; Ord. 21-2004 Section 14, eff. 12-2-04)

MUNICIPAL BENEFIT PLAN NO. 2

SECTION 192.20 MUNICIPAL BENEFIT PLAN NO. 2

SECTION 192.21 ESTABLISHMENT OF MUNICIPAL BENEFIT PLAN NO. 2

There is hereby established a pension benefit plan which shall be known as the Municipal Benefit Plan No. 2 for eligible employees of the City hired on or after January 1, 1988. The provisions contained in this Municipal Benefit Plan No. 2 shall become a part of the Municipal Pension Plan. This Municipal Benefit Plan No. 2 specifically incorporates all of the provisions contained in Municipal Benefit Plan No. 1 except to the extent that the provisions are specifically addressed and revised herein or changes in a Benefit Plan are negotiated pursuant to applicable law. Any reference in this section to Municipal Benefit Plan No. 1, Municipal Benefit Plan No. 2 or pension plan shall be deemed to refer specifically to pertinent portions of the Municipal Pension Plan.

(Ord. 14-1987, eff. 9-30-87; Ord. 22 - 2001, Section 1, eff. 10-25-01)

Ordinance 22 of 2001

SECTION 192.22 MEMBERSHIP.

- (a) Membership shall be mandatory for all full-time employees hired on or after the effective date (January 1, 1988) of this Benefit Plan No. 2 following a 90-day probationary period; except that the following employees shall not be entitled to membership:
 - (1) Employees protected by other pension systems authorized by the laws of this state.
 - (2) Any temporary employees who do not have contributions in the Municipal Pension Plan attributable to former membership in this Benefit Plan No. 2.
 - (3) Pensioners who are receiving full retirement benefits under the Municipal Pension Plan and return to service.
 - (4) Any employees who are members under Benefit Plan No. 1 except to the extent they elect the provisions of Benefit Plan No. 2 described in 192.22(f) below.
- (b) Membership shall be mandatory for a temporary employee rehired on or after January 1, 1988 who was formerly a full-time employee and who has not withdrawn his or her accumulated contributions from the Municipal Pension Plan.
- (c) Membership shall be mandatory for any former employee who reenters the service of the City on or after the effective date of this Benefit Plan No. 2 and who does not reinstate his or her prior membership service under Benefit Plan No. 1. If any former employee does reinstate his or her prior membership service under Benefit Plan No. 1, he or she shall continue to be a member under Benefit Plan No. 1.
- (d) Membership may continue for any employee on an approved leave of absence for a period of up to two years during which he makes the required contributions.

Ordinance 22 of 2001

- (e) Membership shall continue for an employee who has terminated service after eight or more years of credited service and has elected to leave his or her contributions in the Municipal Pension Plan.
- (f) An employee who is a member of Benefit Plan No. 1 may irrevocably elect to substitute all but not less than all of the following benefits provided for in Municipal Benefit Plan No.2:
 - (i) The survivor benefit described in Benefit Plan No. 1 may be replaced by the survivor benefit described in section 192.27.
 - (ii) The computation of benefits without the offset for Social Security benefits described in Benefit Plan No. 1 but subject to the conditions described in section 192.26.
 - (iii) For those employees of Municipal Plan No. 1 who are in Tier 1, computation of monthly benefit in the manner currently used for employees in Tier 2.
 - (iv) The accrual of Interest described in 192.23(h) below.

The election is irrevocable and must be made between November 1, 2001 and December 1, 2001. Employees making such election become members of Municipal Benefit Plan No. 2 only for purposes of the elected benefits of Municipal Plan No. 2 just described.

- (g) Membership and all rights to benefits provided by this Benefit Plan No. 2 shall cease at the time an employee terminates City service and withdraws or is required by law to withdraw his or her accumulated contributions.

(Ord. 14-1987, eff. 9-30-87; Ord. 22-2001, Section 1, eff. 10-25-01)

Ordinance 22 of 2001

SECTION 192.23 CONTRIBUTIONS BY MEMBERS.

- (a) Effective January 1, 2005, the membership contribution for Benefit Plan No. 1 and Benefit Plan No. 2 shall be 5% of the members salary or wages (known hereafter as the "Applicable Member Contribution"). In no event shall the total member contribution exceed 50% of the normal cost of the pension plan, expressed as a percentage of covered payroll, as reported in the most recent actuarial valuation report of the pension plan.
- (b) The City shall cause to be deducted the required member contributions from each payroll and shall promptly send the amounts deducted to the comprehensive fund.
- (c) Payment of the amount of contribution herein mentioned shall be discontinued at the time the member retires, terminates service, attains age 65 with 20 or more years of credited service, dies or becomes totally and permanently disabled.
- (d) Each person who becomes an employee of the City after having been employed by the City in the Bureau of Fire or the Bureau of Police, and who is not entitled to retirement benefits for service under another retirement system and who desires to have the service credited under this Benefit Plan No. 2, shall be required to pay to the Municipal Pension Plan an amount equal to 4% of the total salary or wages received by him or her for each month of service before January, 2002 and the Applicable Member Contribution thereafter for which he or she wishes to receive credit together with interest at the rate earned by the comprehensive fund during the period of employment. The amount shall be deducted from the monthly salary or wages of the member over a period of two years or in the manner and period as the Board may determine. Upon full payment of the amount due, the member shall receive full credit for the period of service. If any member shall be injured while in the actual performance of duty before he or she shall have made full contribution for past service, so long as the disability continues, he or she shall be eligible for pension under this Benefit Plan No. 2, but any amount which he or she shall not yet have paid to the Municipal Pension Plan as a contribution for past services under this section at the date of his or her injury shall be paid, if the Board, in its discretion, shall so determine, in monthly amounts as the Board may determine, which amounts shall be deducted from his or her pension as and when monthly payments thereof shall be made.

Ordinance 22 of 2001

- (e) Any member may purchase full credit toward his or her pension for each year of service with an agency or authority prior to the time the agency or authority joined the Municipal Pension Plan upon his or her producing proof satisfactory to the Board of the number of years of service and upon his or her making back payments together with the interest at the rate earned by the comprehensive fund during the period of employment as if he or she had been a member of this Benefit Plan No. 2 at the time of the service. The amount due may be paid in a lump sum or by installments, as may be agreed upon by the member and the Board. If the employee is retired under this Benefit Plan No. 2 before the payments have been completed, his or her pension shall be reduced by an amount equivalent to the unpaid balance of the amount due.
- (f) If a member of either Benefit Plan No. 1 or Benefit Plan No. 2 terminates service before he or she is eligible to receive a pension, his or her accumulated contributions shall be refunded in full and for members hired before June 30, 2004, shall be refunded with interest.
- (g) Any former employee who has received a refund of his or her accumulated contributions and who shall reenter the service of the City, shall be eligible to receive credit for all previously credited service by restoring to the Municipal Pension Plan the total accumulated contributions withdrawn plus interest and shall pay an additional amount of interest equal to interest calculated on the entire amount paid at the time of separation at the rate earned by the comprehensive or other applicable fund from the period in which the former employee separated service until his or her return to service.
- (h) Any pensioner who had less than 20 years credited service or who had elected to receive an early reduced pension and who returns to service on or after the effective date of this Benefit Plan No. 2 shall start contributing at 4% of his or her salary or wages until January 1, 2002 and the Applicable Member Contribution thereafter and shall be entitled to have his or her subsequent retirement pension be determined on the basis of his or her total service history by restoring to the Municipal Pension Plan the total of the amount received in pension payments plus interest at the rate earned by the comprehensive or other applicable fund from the period in which the former employee separated service until his or her return to service.

Ordinance 22 of 2001

- (i) School crossing guards who are members of this Benefit Plan No. 2 shall be given an opportunity to contribute full member contributions for the months of June, July and August of each year in which they are covered under this plan and thereby receive credit for these months for purposes of both benefit calculations and average monthly earnings.

(Ord. 14-1987, eff. 9-30-87; Ord. 22-2001, Section 1 eff. 10-25-01; Ord. 21-2004, Section 14, eff. 12-2-04)

SECTION 192.24 CONTRIBUTIONS BY THE CITY.

- (a) The public officials of the City charged with the disbursements, expenditures and appropriations, shall annually set aside, apportion and appropriate, out of all taxes and income of the City, to the comprehensive fund, a sum sufficient to maintain the pensions due under the Municipal Pension Plan. If the total disbursements from the Municipal Pension Plan for the payment of pensions, refund of accumulated contributions of members, and administration expenses shall exceed in any year the total revenues of the Municipal Pension Plan from member contributions and the interest and premiums on investments and bank deposits, then the amount to be set aside, apportioned and appropriated by the public officials of the City to the Municipal Pension Plan shall not be less than the difference between the total disbursements and receipts of the Municipal Pension Plan as aforesaid.
- (b) Every authority or agency, whose employees are members of Benefit Plan No. 2, shall be held liable for the amount due to the fund on account of benefits provided by this Benefit Plan No. 2 which are paid to employees of the authority or agency. Provided, however, that where an employee of the authority or agency formerly worked for the City, the authority or agency shall be held liable for that proportionate part of the pension or other benefits paid which the authority or agency bears to the total credited service.
- (c) All contributions required to be made under the Municipal Pension Plan relating to regular member contributions for current service shall be picked up by the City and shall be treated as City contributions in determining tax treatment under the United States Internal Revenue code for federal tax purposes. For all other purposes, under the Municipal Pension Plan and otherwise, the pick up contributions shall be treated as contributions made by a member in the same manner and to the same extent as contributions made by a member prior to January 1, 1988.

(Ord. 14-1987, eff. 9-30-87; Ord 22-2001, Section 1, eff. 10-25-01)

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SECTION 192.25 CREDITED SERVICE.

- (a) Credited service shall be computed from the time of the first or original employment. The employment shall consist of service to the City and need not be continuous, provided that contributions have been made in accordance with subsections (a), (g) and (h) of Section 192.23 for all periods of service.
- (b) Any employee shall receive full credit for each year of service for which credit has been purchased under the provisions of subsections (d) and (e) of Section 192.23.
- (c) Any employee who shall have enlisted or been drafted to serve in the Armed Forces of the United States in time of war or shall have been drafted to serve in the Armed Forces of the United States in time of peace, shall have the service credited in full to his or her service record as service to the City.

(Ord. 14-1987, eff. 9-30-87; Ord. 22-2001, Section 1, eff. 10-25-01)

SECTION 192.26 PENSION ALLOWANCE.

- (a) The amount of the monthly pension shall be calculated by multiplying the amount determined in subsection (a)(1) by the fraction determined in subsection (a)(2) and if applicable, by adding a service increment in accordance with subsection (a)(3) and where applicable by applying the reductions determined in subsection (a)(4) and (5).
 - (1) 50% of the member's average monthly earnings.
 - (2) The ratio that the member's years of credited service (years and completed months to two decimals) up to a maximum of 20 is to 20.
 - (3) A service increment which shall be 1% of the member's average monthly earnings for each full year of credited service in excess of 20 and rendered prior to age 65. The increment shall be limited to a maximum of \$100 per month.

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- (4) Pensions for members who were employees who either (a) terminated employment on or before December 31, 2001, or (b) become employees after June 30, 2004, shall be reduced upon his or her attainment of age 65 by an amount equal to 50% of the primary insurance amount paid or payable to him under the Federal Social Security Act and subject to the following provisions:
- (A) The eligibility of such member for the old-age insurance benefit and the amount of the benefit upon which the reduction in his or her pension shall be based shall be determined by the Board in accordance with the provisions of the Federal Social Security Act, 42 U.S.C. Sections 301 et. seq., in effect at the date his or her pension payment begins, except that in determining the eligibility and the amount only wages or compensation for services covered by this Benefit Plan No. 2 shall be included.
- (B) Whenever the amount of the reduction from the pension shall have been once determined, it shall remain fixed for the duration of the pension except that any decrease in the old-age insurance benefit under the Federal Social Security Act, 42 U.S.C. Sections 301 et. seq., shall result in a corresponding decrease in the amount of the reduction from the pension.
- (C) The reduction shall not be more than $\frac{1}{2}$ of the pension to which the member is otherwise entitled under the provisions of this Benefit Plan No. 2.
- (5) The member's pension shall be reduced for any periodic payments to him or her or on his or her behalf pursuant to worker's compensation laws on account of his or her employment with the City, provided, however, that the pension benefit will be limited so that, when added to the monthly worker's compensation benefit, the sum will not exceed the regular monthly earnings of the member at the time of disablement.

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- (b) The amount of any monthly pension of a member who terminates service prior to age 60 shall be either of the following as the member may elect at the time of termination of services:
- (1) A deferred pension, commencing on attainment of age 60, computed under the provisions of subsection (a) hereof based only on credited service and average monthly earnings to the date of early retirement; or
 - (2) A reduced pension, commencing prior to age 60, equal to the deferred pension to which the member would have been eligible had he or she so elected, reduced one-half of one percent (0.5%) for each month that the commencement of the pension precedes the month of the member's attainment of age 60.
- (c) The amount of any monthly pension for a disability retirement for a member who sustains the disability in the actual performance of duty regardless of length of service or incurs a disability outside the performance of his or her duties but after 8 years of credited service shall be determined in accordance with subsection (a) hereof based upon subsection (c)(1) or (2) below, whichever is applicable:
- (1) If total and permanent disability is incurred prior to age 60, the member's average monthly earnings shall be determined at the date of disability and credited service shall be determined as though the member had attained age 60 and completed the greater of his or her actual credited service or the lesser of 20 years of credited service or the number of years of credited service he or she would have completed had he or she continued to receive credit for service until age 60; or
 - (2) If total and permanent disability is incurred on or after age 60, the member's average monthly earnings and actual credited service shall be determined at the date of disability.
- (d) The amount of any pension to a member who has terminated service after attaining age 40 with at least 8 years of service shall be either of the following as the member may elect in his application for pension provided that the member continues to make member contributions until age 50:

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- (1) A deferred pension, after attainment of age 60, computed under the provisions of subsection (a) hereof but based on credited service and monthly earnings to the date of termination.
- (2) An early pension, commencing prior to age 60, but after attainment of age 50, determined in accordance with the provisions of subsection (1) above, reduced one-half of one percent (0.5%) for each month that the commencement of the regular pension precedes the month of the member's attainment of age 60.
- (e) Specifically excluded from this Benefit Plan No. 2 are any benefits provided under section 11 of Benefit Plan No. 1 for the payment of supplementary medical insurance premiums.
- (f) The provision of 192.26(a)(4) above will not apply to the computation of pensions for members of Municipal Plan No. 2 who are City employees on or after January 1, 2002 and retire on or after such date.
- (g) Members of Municipal Benefit Plan No. 1 who are City employees on or after January 1, 2002 and retire thereafter may irrevocably elect to have their pensions calculated without the social security offset currently applicable to Municipal Benefit No. 1 but subject to the reductions provided for in Section 192.26(a)(5). The election of this benefit change must be made between November 1 and December 1, 2001.
- (h) Members of either Municipal Benefit Plan No. 1 or No. 2 who were City employees who terminated employment with the City before January 1, 2002 may irrevocably elect to have their pensions calculated without the social security offset but only if they make such election within 30 days of the final passage of this legislation and they are:
 - (1) Former employees that did not at the time of termination have sufficient years of service nor achieve age 50 and are either currently making payments sufficient to purchase time and age or, within 30 days of the passage of this legislation, make binding commitments to make such payments; and,
 - (2) Former employees who achieved the requisite time and age but have not yet taken a pension; and,
 - (3) Members of the fund who have made no election to date.

(Ord. 14-1987, eff. 9-30-87; Ord. 22-2001, Section 1, eff. 10-25-01; Ord. 1-2002, Section 1, eff. 2-8-02; Ord. 5-2002, Section 1, eff. 3-14-02; Ord. 21-2004, Section 14, eff. 12-2-04)

Ordinance 22 of 2001

SECTION 192.27 DEATH BENEFITS.

- (a) In the event of the death of a member in active service who shall have had at least 8 years credited service and shall have attained age 50, a survivor benefit shall become payable to his or her surviving spouse, if any, in an amount which shall be equal to 50% of the pension amount determined in Section 192.26 which would have been payable had the deceased member retired on the day before his or her death. The amount of the survivor's benefits determined above shall be further reduced by 1 % for each year in excess of 5 years that the spouse is younger than the deceased member. The survivor's benefit shall be payable as long as the spouse lives or until remarriage.
- (b) In the event of the death of any member in active service before the member has 8 years of credited service and attains age 50, the member's accumulated contributions with Interest shall be paid to the person or persons as he or she shall have designated in writing and filed with the Board or if he or she has not so designated, then paid to his or her estate.
- (c) Any person who retires under the provisions of this Benefit Plan No. 2 may elect in writing at the time of retirement to receive a monthly pension determined in accordance with Section 192.26 which shall be further reduced in accordance with Table B attached hereto (depending on the ages of the pensioner and his or her spouse at the time of retirement), with 50% of the amount payable to his or her surviving spouse after his or her death, provided that the person shall have been married to his or her spouse for not less than 1 year. In the event the spouse of a pensioner shall predecease the pensioner, the pensioner shall continue to receive the reduced pension payments for the remainder of his or her life. The surviving spouse shall be entitled, commencing the first day of the month next following the death of the pensioner, to receive monthly payments equal to 50% of the monthly amount paid to the pensioner and payments shall terminate upon the death of the surviving spouse.
- (d) In no case shall the total of payments made to a member or pensioner and his or her surviving spouse, if any, or his or her beneficiary or estate be less than the deceased member's accumulated contributions to the comprehensive fund.

(Ord. 14-1987, eff. 9-30-87; Ord. 22-2001, Section 1, eff. 10-25-01)

Ordinance 22 of 2001

SECTION 192.28 PAYMENT OF BENEFITS.

- (a) Monthly payments for immediate pensions shall be payable beginning with the first full calendar month following the month in which retirement occurs or the calendar month in which application for pension is made, whichever is later.
- (b) The first of any deferred vested pension shall be paid as follows:
 - (1) For pensions commencing on or after attainment of age 60, the later of:
 - A. The calendar month next following the member's 60th birthday; or
 - B. The calendar month in which the application for the payment is made;
 - (2) For pensions commencing prior to attainment of age 60, the later of:
 - A. The calendar month next following the member's 50th birthday; or
 - B. The calendar month in which application for the pension is made.
- (c) The last payment of any pension shall be payable for the month in which the death of the pensioner shall occur.
- (d) A pension payable under the Municipal Pension Plan shall cease when the pensioner returns to City employment. Pension payments shall be resumed upon subsequent discontinuance of service.
- (e) Notwithstanding the above, the provisions of Ordinance No. 57 of 1985 shall remain in effect.
- (f) Payment of benefits. The right to a benefit, and the moneys in the fund herein mentioned shall not be subject to attachment or execution, and shall be payable only to the pensioner, the pensioner's spouse or the pensioner's designated beneficiary, and shall not be subject to assignment or transfer.

(Ord. 14-1987, eff. 9-30-87; Am. Ord. 29-1994, eff. 12-16-94; Ord. 22-2001, Section 1, eff. 10-25-01)

Ordinance 22 of 2001

FIREMAN'S BENEFIT PLAN NO. 2.

SECTION 192.30 FIREMEN'S BENEFIT PLAN NO. 2.

SECTION 192.31 ESTABLISHMENT OF FIREMEN'S BENEFIT PLAN NO. 2.

There is hereby established a pension benefit plan which shall be known as the "Firemen's Benefit Plan No. 2" for eligible employees of the Bureau of Fire of the City of Pittsburgh hired on or after January 1, 1988. The provisions contained in this Firemen's Benefit Plan No. 2 shall become a part of the Firemen's Pension Plan. This Firemen's Benefit Plan No. 2 specifically incorporates all of the provisions contained in the Firemen's Benefit Plan No. 1 except to the extent that the provisions are specifically addressed and revised herein. Any reference in this section to a Benefit Plan No. 1, Benefit Plan No. 2 or pension plan shall be deemed to refer specifically to pertinent portions of the Firemen's Pension Plan.

(Ord. 16-1987, eff. 9-30-87; Ord. 22-2001, Section 1, eff. 10-25-01)

SECTION 192.32 MEMBERSHIP.

The membership of Firemen's Benefit Plan No. 2 shall consist of:

- (a) All uniformed employees of the Bureau of Fire who enter service on or after January 1, 1988, including the commanding officer and the Chief of the Bureau.
- (b) All substitute uniformed employees of the Bureau of Fire who enter service on or after January 1, 1988.

(Ord. 16-1987, eff. 9-30-87; Ord. 22-2001, Section 1, eff. 10-25-01)

SECTION 192.33 CLASSIFICATION AND MONTHLY PAYMENTS; COST-OF-LIVING ALLOWANCE.

- (a) Beneficiaries under Firemen's Benefit Plan No. 2 who retire on or after January 1, 1988, shall be entitled to receive, per month, an amount equaling 50% of the average monthly earnings received by the contributor as an employee of the Bureau of Fire of the City during the last 48 consecutive months preceding retirement. If any employee has not been employed in the Bureau of Fire for at least 48 months but is otherwise entitled to a pension, the employee's pension shall equal not less than 50% of the amount which would constitute the average monthly earnings received by the beneficiary as an employee of the Bureau of Fire.

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- (b) Beneficiaries under Benefit Plan No. 2 in any case shall be entitled to minimum monthly payments as established in 53 P.S. Sec. 23613(b).
- (c) Any pension payable to an employee under this section shall be reduced for any periodic payments to him or her or on his or her behalf pursuant to worker's compensation laws on account of the employee's employment with the City, provided, however, that the pension benefit will be limited so that, when added to the monthly worker's compensation benefit, the sum will not exceed the regular monthly earnings of the member at the time of disablement.

(Ord. 16-1987, eff. 9-30-87; Ord. 22-2001, Section 1, eff. 10-25-01)

POLICEMEN'S BENEFIT PLAN NO. 2

SECTION 192.40 POLICEMEN'S BENEFIT PLAN NO. 2.

SECTION 192.41 ESTABLISHMENT OF POLICEMEN'S BENEFIT PLAN NO. 2.

There is hereby established a pension benefit plan which shall be known as the "Policemen's Benefit Plan No. 2" for eligible employees of the Bureau of Police of the City of Pittsburgh hired on or after January 1, 1988. The provisions contained in this Policemen's Benefit Plan No. 2 shall become a part of the Policemen's Pension Plan. This Policemen's Benefit Plan No. 2 specifically incorporates all of the provisions contained in the Policemen's Benefit Plan No. 1 except to the extent that the provisions are specifically addressed and revised herein. Any reference in this section to a Benefit Plan No. 1, Benefit Plan No. 2 or pension plan shall be deemed to refer specifically to pertinent portions of the Policemen's Pension Plan.

(Ord. 15-1987, eff. 9-30-87; Ord. 22-2001, Section 1, eff. 10-25-01)

SECTION 192.42 MEMBERSHIP.

The membership of Policemen's Benefit Plan No. 2 shall consist of all persons who shall, on or after January 1, 1988, become employees of the Bureau of Police, including all substitute uniformed employees of the Bureau of Police. Provided, that membership under this section shall exist solely by virtue of the provisions of this section and without the making of any application.

(Ord. 15-1987, eff. 9-30-87; Ord. 22-2001, Section 1, eff. 10-25-01)

Ordinance 22 of 2001

SECTION 192.43 PENSION PAYMENTS; AMOUNTS; TIME.

- (a) Beneficiaries under Policemen's Benefit Plan No. 2, who retire or who become eligible to receive a pension allowance on or after January 1, 1988, shall be entitled to receive from the fund, per month, an amount equaling 50% of the average monthly earnings received by the contributor as an employee of the Bureau of Police of the City during the last 48 consecutive months preceding retirement. If any employee has not been employed in the Bureau of Police at least 48 months, but is otherwise entitled to a pension, the employee's pension shall equal not less than 50% of the amount which would constitute the average monthly earnings received by the beneficiary as an employee of the Bureau of Police.
- (b) Any pension payable to an employee under this section shall be reduced for any periodic payments to him or her or on his or her behalf pursuant to worker's compensation laws on account of the employee's employment with the City, provided, however, that the pension benefit will be limited so that, when added to the monthly worker's compensation benefit, the sum will not exceed the regular monthly earnings of the member at the time of disablement.
- (c) Pension payments shall always be payable on the third working day of each month and shall be for the preceding month.
- (d) Notwithstanding the above, beneficiaries under the fund in any case shall be entitled to minimum monthly payments as established under 53 P.S. Sec. 23613(b).

(Ord. 15-1987, passed 9-30-87; Ord. 22-2001, Section 1, eff. 10-25-01)

Finally, that any ordinance or Resolution or part thereof conflicting with the provisions of this Ordinance, is hereby repealed so far as the same affects this Ordinance.

Ordinance 22 of 2006

AN ORDINANCE

AMENDING THE PITTSBURGH CODE, TITLE ONE - ADMINISTRATIVE, ARTICLE XI - PERSONNEL, CHAPTER 192 - PENSIONS, SECTION 192.01 - DEFINITIONS, TO CORRECT THE DEFINITION OF AVERAGE MONTHLY EARNINGS FOR PENSION CALCULATION PURPOSES.

The Council of the City of Pittsburgh hereby enacts as follows:

Section 1. -

The Pittsburgh Code, Title One - Administrative, Article XI - Personnel, Chapter 192 - Pensions, Section 192.01 - Definitions, is amended as follows:

GENERAL PROVISIONS

SECTION 192.01 DEFINITIONS. -

The following terms shall have the following respective meanings for the purpose of this chapter unless a different meaning is plainly required by the context.

- b) **AVERAGE MONTHLY EARNINGS.** For members hired prior to January 1, 1988, the average of the highest 36 months of contributory earnings during the last 60 months of employment by the City immediately preceding retirement or termination of service. For members hired on or after January 1, 1988, the average of the last 48 consecutive months of the contributory earnings during employment by the city immediately preceding retirement or termination of service.

This change shall be retroactive to January 1, 2002.

Ordinance 23 of 2006

AN ORDINANCE

AMENDING THE PITTSBURGH CODE, TITLE ONE - ADMINISTRATIVE, ARTICLE XI - PERSONNEL, CHAPTER 192 - PENSIONS, SECTION 192.22 MEMBERSHIP, BY EXPANDING MEMBERSHIP IN BENEFIT PLAN NO. 2, FOR MEMBERS OF THE TEAMSTERS, LOCAL 249, COLLECTIVE BARGAINING UNIT

The Council of the City of Pittsburgh hereby enacts as follows:

Section 1. -

The Pittsburgh Code, Title One - Administrative, Article XI - Personnel, Chapter 192 - Pensions, Section 192.22 - Membership, is amended as follows:

SECTION 192.22 MEMBERSHIP. -

- (a) Membership shall be mandatory for all full-time employees hired on or after the effective date (January 1, 1988) of this Benefit Plan No. 2 following a 90-day probationary period; except that the following employees shall not be entitled to membership:
- (1) Employees are protected by other pension systems authorized by the laws of this state.
 - (2) Any temporary employees who do not have contributions in the Municipal Pension Plan attributable to former membership in this Benefit Plan No. 2.
 - (3) Pensioners who are receiving full retirement benefits under the Municipal Pension Plan and return to service.
 - (4) Any employees who are members under Benefit Plan No. 1 except to the extent they elect the provisions of Benefit Plan No. 2 described in 192.22(f) below.
- (b) Membership shall be mandatory for a temporary employee rehired on or after January 1, 1988 who was formerly a full-time employee and who has not withdrawn his or her accumulated contributions from the Municipal Pension Plan.
- (c) Membership shall be mandatory for any former employee who reenters the service of the city on or after the effective date of this Benefit Plan No. 2 and who does not reinstate his or her prior membership service under Benefit Plan No. 1. If any former employee does reinstate his or her prior membership service under Benefit Plan No. 1, he or she shall continue to be a member under Benefit Plan No. 1.

Ordinance 23 of 2006

- (d) Membership may continue for any employee on an approved leave of absence for a period of up to two years during which he makes the required contributions.
- (e) Membership shall continue for an employee who has terminated service after eight or more years of credited service and has elected to leave his or her contributions in the Municipal Pension Plan.
- (f) An employee who is a member of Benefit Plan No. 1 may irrevocably elect to substitute all but not less than all of the following benefits provided for in Municipal Benefit Plan No. 2:
 - (i) the survivor benefit described in Benefit Plan No. 1 may be replaced by the survivor benefit described in section 192.27.
 - (ii) the computation of benefits without the offset for Social Security benefits described in Benefit Plan No. 1 but subject to the conditions described in section 192.26.
 - (iii) for those employees of Municipal Plan No. 1 who are in Tier 1, computation of monthly benefit in the manner currently used for employees in Tier 2.
 - (iv) the accrual of Interest described in 192.23(h) below.

The election is irrevocable and must be made between November 1, 2001 and December 1, 2001. Employees making such election become members of Municipal Benefit Plan No. 2 only for purposes of the elected benefits of Municipal Plan No. 2 just described.

- (i) For members of the Teamster bargaining unit, Local 249, this election is irrevocable and must be made between November 1, 2006 and December 1, 2006. Employees making such election become members of Municipal Benefit Plan No. 2 as described above. This election will apply for members of the Teamster bargaining unit, Local 249 only and shall apply to all members of the Teamster bargaining unit, local 249, that were on the City payroll as of June 30, 2004 and retired on or after November 1, 2004.
- (g) Membership and all rights to benefits provided by this Benefit Plan No. 2 shall cease at the time an employee terminates city service and withdraws or is required by law to withdraw his or her accumulated contributions.

(Ord. 14-1987, effective 9-30-87)

Ordinance 3 of 2019

AN ORDINANCE

AMENDING THE PITTSBURGH CODE OF ORDINANCES AT TITLE ONE: ADMINISTRATIVE, ARTICLE XI: HUMAN RESOURCES, CHAPTER 192: PENSIONS, AT GENERAL PROVISIONS, SECTION 192.01 DEFINITIONS, AND ALSO AT MUNICIPAL BENEFIT PLAN NO. 2, SECTION 192.23 MUNICIPAL BENEFITS, IN ORDER TO ALLOW INTEREST PAYMENTS ON WITHDRAWS FROM THE MUNICIPAL PENSION PLAN, AND TO AUTHORIZE THE CALCULATION OF INTEREST.

The Council of the City of Pittsburgh hereby enacts as follows:

Section 1. -

The City Code is hereby amended and supplemented at Title One: Administrative, Article XI: Human Resources, Chapter 192: Pensions, at General Provisions, Section 192.01: Definitions, subsection (i): Interest, as follows:

§192.01 DEFINITIONS. -

- (i) **INTEREST**
Interest shall be simple, at a rate of five (5) percent per annum, unless otherwise established through collective bargaining [, payable only to employees of the City who, as of June 30, 2004, are eligible for Interest hereunder]. It shall be calculated from the date of withholding, or in the case of direct payments, from the date that payment is made, to the month within which the Municipal Pension Board takes final action approving the refund of the member's contributions.
The Board shall calculate interest using the formula developed for compliance with Ordinance 22 of 2001.

Section 2. -

The City Code is hereby further amended and supplemented at Title One: Administrative, Article XI: Human Resources, Chapter 192: Pensions, at Municipal Benefits Plan No. 2, section 192.23: Contributions by Members, subsection (f), as follows:

§192.23 CONTRIBUTIONS BY MEMBERS. -

- (f) If a member of either Benefit Plan No. 1 or Benefit Plan No. 2 terminates service before he or she is eligible to receive a pension, his or her accumulated contributions shall be refunded in full [, and for members hired before June 30, 2004, shall be refunded] with interest, unless otherwise established through collective bargaining.

Any Resolution or Ordinance or part thereof conflicting with the provisions of this Ordinance is hereby repealed so far as the same affects this Ordinance.

Notes
