



City of Pittsburgh

510 City-County Building
414 Grant Street
Pittsburgh, PA 15219

Text File

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Committee: Committee on Finance and Law

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Ordinance amending the City Code at Title One: Administrative, Article XI: Human Resources, Chapter 192: Pensions, Section 192.01: Definitions, Section 192.20: Municipal Benefit Plan No. 2, Section 192.21: Establishment of Municipal Benefit Plan No. 2, Section 192.22: Membership, Section 192.23: Contributions by Members, Section 192.24: Contributions by the City, Section 192.26: Pension Allowance, and Section 192.27: Death Benefits, and adding a Section 192.22A: Membership in Municipal Benefit Plan No. 3, in order to remove the Social Security Offset for certain non-union members and to fund the removal of the offset.

(Public Hearing held 11/18/21)

WHEREAS, pursuant to Section 192.26(4) of the City Code, pensions for employees who were hired after June 30, 2004, are reduced upon attainment of age sixty-five (65) by an amount equal to fifty (50) percent of the primary insurance paid or payable to such employee under the Federal Social Security Act (such reduction referred to as the "Social Security Offset"); and

WHEREAS, City Council has determined that due to improvement in the funding of the City's municipal pension system, and in the interest of retaining and attracting a talented workforce, it is in the best interest of the City to remove the Social Security Offset for certain City employees; and

WHEREAS, effective July 1, 2004, the contribution amount for employees hired after June 30, 2004, was set at five (5) percent of such employees' salary or wages, an increase from four (4) percent, but such increased contribution level has not yet been implemented; and

WHEREAS, to contribute to funding the removal of the Social Security Offset, City Council wishes to increase the contribution rate for those employees whose Social Security Offset will be removed to six (6) percent of such employees' salary and wages; and

WHEREAS, effective July 1, 2004, the contribution amount for employees hired before July 1, 2004, was incorrectly increased to five (5) percent from four (4) percent of such employees' salary and wages; however, such contribution increase was never implemented, and City Council now wishes to clarify and confirm the actual contribution rate of four (4) percent for employees hired prior to July 1, 2004.

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

Section 1. The City Code is hereby amended at Title One: Administrative, Article XI: Human Resources, Chapter 192: Pensions, General Provisions, Section 192.01: Definitions, as follows:

SEE ATTACHMENT

§ 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.** For members hired prior to January 1, 1988, the average of the highest thirty-six (36) months of contributory earnings during the last sixty (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 forty-eight (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) **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 Benefit 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.*
- (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.*
- (i) **INTEREST**. Interest shall be simple, at a rate of five (5) percent per annum, unless otherwise established through collective bargaining. 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.
- (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, **and for non-union employees, prior to January 1, 2022, subject to such employees' election option set forth in section 192.22A(f).**
- (k) **MUNICIPAL BENEFIT PLAN NO. 3** or **BENEFIT PLAN NO. 3**. **The benefit plan established pursuant to the provisions of this chapter to provide retirement benefits to (i) eligible non-union employees employed on or after January 1, 2022; and (2) eligible employees employed on or after July 1, 2004, and prior to January 1, 2022, who elect to participate in such Benefit Plan No. 3 pursuant to Section 192.22A(f).**
- (l) [(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, and Municipal Benefit Plan No. 3.**
- (m) [(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.
- (n) [(m)] **PENSIONER**. Any employee who has terminated service under one (1) 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.
- (o) [(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.
- (p) [(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.
- (q) [(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 Policemen's Benefit Plan No. 2.

(r) [(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.

(s) [(r)] TOTAL AND PERMANENT DISABILITY. Permanent incapacity due to bodily injury or disease which for period of at least six (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 three (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.

Section 2. The City Code is hereby amended at Title One: Administrative, Article XI: Human Resources, Chapter 192: Pensions, Municipal Pension Plan No. 2, Section 192.20: Municipal Benefit Plan No. 2, as follows:

§ 192.20 - MUNICIPAL BENEFIT PLAN NO. 2[.] AND MUNICIPAL BENEFIT PLAN NO. 3.

Section 3. The City Code is hereby amended at Title One: Administrative, Article XI: Human Resources, Chapter 192: Pensions, Municipal Pension Plan No. 2, Section 192.21: Establishment of Municipal Benefit Plan No. 2, as follows:

§ 192.21 - ESTABLISHMENT OF MUNICIPAL BENEFIT PLAN NO. 2[.] AND MUNICIPAL BENEFIT PLAN NO. 3.

(a) 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 **and for non-union employees, prior to January 1, 2022.** 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.

(b) There is hereby established a pension benefit plan which shall be known as the Municipal Benefit Plan No. 3 for eligible non-union employees of the City hired on or after January 1, 2022. Pursuant to section 192.22A(f), eligible non-union employees of the City hired on or after July 1, 2004, and prior to January 1, 2022, who are active employees as of January 1, 2022, may make a one-time irrevocable election to be included in Municipal Benefit Plan No. 3. The provisions applicable to the Municipal Benefit Plan No. 3 shall become a part of the municipal pension plan. The Municipal Benefit Plan No. 3 specifically incorporates all of the provisions contained in Municipal Benefit Plan No. 2 except to the extent that the provisions are specifically addressed and revised herein or changes in the Benefit Plan are negotiated pursuant to applicable law.

Employees of the City working pursuant to a collective bargaining agreement may bargain to join Municipal Benefit Plan No. 3 pursuant to applicable law, provided that they do not fall into the categories listed in section 192.22A(a)(1)-(4).

Section 4. The City Code is hereby amended at Title One: Administrative, Article XI: Human Resources, Chapter 192: Pensions, Municipal Pension Plan No. 2, Section 192.22: Membership, as follows:

§ 192.22 - MEMBERSHIP[.] IN MUNICIPAL BENEFIT PLAN NO. 2.

- (a) Membership **in Municipal Benefit Plan No. 2** shall be mandatory for all full-time employees hired on or after the effective date (January 1, 1988) of this Benefit Plan No. 2, **and for non-union employees hired prior to January 1, 2022,** following a ninety-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, **and for non-union employees, prior to January 1, 2022,** 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 for non-union employees, prior to January 1, 2022,** 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 (2) years during which he makes the required contributions.
- (e) Membership shall continue for an employee who has terminated service after eight (8) 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:

- (1) The survivor benefit described in Benefit Plan No. 1 may be replaced by the survivor benefit described in section 192.27.
- (2) 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.
- (3) 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.
- (4) 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.
- (h) Members of the Teamsters Local Union 249 shall be a participant in the Municipal Benefit Plan No. 2 after ninety (90) days of service. Any member of the Teamsters Local Union 249 who fails or refuses to participate in Municipal Benefit Plan No. 2 shall be terminated.

This amendment shall be retroactive to January 1, 2007.

- (i) Members of the Service Employees International Union Local 192-B hired on or after January 1, 2005, shall not be entitled to membership in Municipal Benefit Plan No. 2 Fund.

This amendment shall be retroactive to January 1, 2010.

Section 5. The City Code is hereby amended at Title One: Administrative, Article XI: Human Resources, Chapter 192: Pensions, by adding a new Section 192.22A: Membership in Municipal Benefit Plan No. 3, as follows:

§ 192.22A - MEMBERSHIP IN MUNICIPAL BENEFIT PLAN NO. 3.

- (a) Membership in Municipal Benefit Plan No. 3 shall be mandatory for all full-time non-union employees hired on or after January 1, 2022, following a ninety-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 Benefit Plan No. 3.**
 - (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.**
 - (5) Any employees who are members under Benefit Plan No. 2 except to the extent such employees elect the provisions of Benefit Plan No. 3 described in 192.22A(f) below.**
- (b) Membership shall be mandatory for a temporary employee rehired on or after January 1, 2022, who was formerly a full-time employee and who has not withdrawn their 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. 3 and who does not reinstate their prior membership service under Benefit Plan No. 1 or Benefit Plan No. 2. If any former employee does reinstate their prior membership service under Benefit Plan No. 1 or Benefit Plan No. 2, the member shall continue to be a member under Benefit Plan No. 1 or Benefit Plan No. 2, as applicable.**
- (d) Membership may continue for any employee on an approved leave of absence for a period of up to two (2) years during which he makes the required contributions.**
- (e) Membership shall continue for an employee who has terminated service after eight (8) or more years of credited service and has elected to leave their contributions in the municipal pension plan.**
- (f) A non-union employee who is a member of Benefit Plan No. 2 who was hired on or after July 1, 2004, may irrevocably elect to substitute all but not less than all of the following Municipal Benefit Plan No. 3 benefits and conditions:**
- (1) The member contribution rate set for Benefit Plan No. 3 described in section 192.23(a).**
 - (2) The computation of benefits without the offset for Social Security benefits as set forth in**

section 192.26(a)(4)(D), subject to all conditions set forth in section 192.26.

The election is irrevocable and must be made between **January 14, 2022**, and **February 18, 2022**, or other such dates as determined by the Director of the Department of Human Resources. Employees making such election become members of Municipal Benefit Plan No. 3.

(g) Employees of the City working pursuant to a collective bargaining agreement may bargain to join Municipal Benefit Plan No. 3 pursuant to applicable law, provided that they do not fall into the categories listed in section 192.22A(a)(1)-(4).

Section 6. The City Code is hereby amended at Title One: Administrative, Article XI: Human Resources, Chapter 192: Pensions, Municipal Pension Plan No. 2, Section 192.23: Contributions by Members, as follows:

§ 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 five (5) percent of the member's salary or wages, **provided however, that the membership contribution for members of Benefit Plan No. 2 hired on or after January 1, 1988, and prior to July 1, 2004, shall be four (4) percent of the member's salary and wages. Effective January 1, 2022, the membership contribution for Benefit Plan No. 3 shall be six (6) percent of the member's salary and wages.** [(The membership contributions set forth in this section shall be known hereafter as the "Applicable Member Contribution.")] In no event shall the total member contribution exceed fifty (50) percent 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 sixty-five (65) with twenty (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 four (4) percent of the total salary or wages received by [him or her] **the member** for each month of service before January, 2002 and the Applicable Member Contribution thereafter for which [he or she] **the member** 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 (2) 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] the member** shall have made full contribution for past service, so long as the disability continues, **[he or she] the member** shall be eligible for pension under **[this] Benefit Plan No. 2**, but any amount which **[he or she] the member** 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] the member's** 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] the member's** pension as and when monthly payments thereof shall be made.

- (e) Any member may purchase full credit toward **[his or her] their** 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] the member's** producing proof satisfactory to the Board of the number of years of service and upon **[his or her] the member** 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] the member** had been a member of **[this] Benefit Plan No. 2, or Benefit Plan No. 3, as applicable**, 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, or Benefit Plan No. 3, as applicable**, before the payments have been completed, **[his or her] the member's** 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, or Benefit Plan No. 3** terminates service before **[he or she] the member** is eligible to receive a pension, **[his or her] the member's** accumulated contributions shall be refunded in full with interest, unless otherwise established through collective bargaining.
- (g) Any former employee who has received a refund of **[his or her] the former employee's** 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] the former employee's** return to service.
- (h) Any pensioner who had less than twenty (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 four (4) percent of **[his or her] their** salary or wages until January 1, 2002 and the Applicable Member Contribution thereafter and shall be entitled to have **[his or her] the member's** subsequent retirement pension be determined on the basis of **[his or her] the member's** 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] their** return to service.
- (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.

- (j) Members of the Teamsters Local Union 249, members of the AFSCME AFL-CIO Local 2037, members of the Pittsburgh Recreational Teachers Union Local 668, members of the AFSCME District Council 84 Local 2719, and members of the unions represented by the Joint Collective Bargaining Committee may, upon completing at least eight (8) years of actual service, purchase a pension credit for up to three (3) years of military service, whether or not such military service interrupted **[his or her] the member's** employment with the City.

(1) As to the members of the Teamsters Local Union 249, this amendment shall be retroactive to January 1, 2007.

(2) As to the members of the AFSCME AFL-CIO Local 2037, this amendment shall be retroactive to January 1, 2010.

(3) As to members of the Pittsburgh Recreational Teachers Union Local 668, this amendment shall be retroactive to January 1, 2010.

(4) As to members of the AFSCME AFL-CIO Local 2719, this amendment shall be retroactive to January 1, 2010.

(5) As to members of the unions represented by the Joint Collective Bargaining Committee, this amendment shall be retroactive to January 1, 2012.

- (k) Members of Service Employees International Union Local 192-B and members of the Pittsburgh Recreational Teachers Union Local 668 shall have the option to purchase pension credit for any month they are currently not scheduled to work, provided they have received compensation for the last month prior and the next month following such non-scheduled month.

(1) As to the Service Employees International Union, Local 192-B, this amendment shall be retroactive to January 1, 2010.

(2) As to the Pittsburgh Recreational Teachers Union Local 668, this amendment shall be retroactive to January 1, 2010.

Section 7. The City Code is hereby amended at Title One: Administrative, Article XI: Human Resources, Chapter 192: Pensions, Municipal Pension Plan No. 2, Section 192.24: Contributions by the City, as follows:

§ 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 or Benefit Plan No. 3, shall be held liable for the amount due to the fund on account of benefits provided by [this] Benefit Plan No. 2 or Benefit Plan No. 3 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.

Section 8. The City Code is hereby amended at Title One: Administrative, Article XI: Human Resources, Chapter 192: Pensions, Municipal Pension Plan No. 2, Section 192.26: Pension Allowance, as follows:

§ 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) Fifty (50) percent of the member's average monthly earnings.
 - (2) The ratio that the member's years of credited service (years and completed months to two (2) decimals) up to a maximum of twenty (20) is to twenty (20).
 - (3) A service increment which shall be one (1) percent of the member's average monthly earnings for each full year of credited service in excess of twenty (20) and rendered prior to age sixty-five (65). The increment shall be limited to a maximum of one hundred dollars (\$100.00) per month.

(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] may** be reduced upon **[his or her]** attainment of age sixty-five (65) by an amount equal to fifty (50) percent of the primary insurance amount paid or payable to **[him] them** 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] the member's** 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] the member's** 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 one-half (½) of the pension to which the member is otherwise entitled under the provisions of **[this]** Benefit Plan No. 2.

D. The reduction set forth in this section shall not be applied to members of Benefit Plan No. 3.

(5) The member's pension shall be reduced for any periodic payments to **[him or her] the member** or on **[his or her] the member's** behalf pursuant to worker's compensation laws on account of **[his or her] the member'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.

(b) The amount of any monthly pension of a member who terminates service prior to age sixty (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 sixty (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 sixty (60), equal to the deferred pension to which the member would have been eligible had **[he or she] the member** so elected, reduced one-half of one (0.5) percent for each month that the commencement of the pension precedes the month of the member's attainment of age sixty (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] the member's** duties but after eight (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 sixty (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 sixty (60) and completed the greater of **[his or her] the member's** actual credited service or the lesser of twenty (20) years of credited service or the number of years of credited service **[he or she] the member** would have completed had **[he or she] the member** continued to receive credit for service until age sixty (60); or
 - (2) If total and permanent disability is incurred on or after age sixty (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 forty (40) with at least eight (8) years of service shall be either of the following as the member may elect in **[his] the member's** application for pension provided that the member continues to make member contributions until age fifty (50):
- (1) A deferred pension, after attainment of age sixty (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 sixty (60), but after attainment of age fifty (50), determined in accordance with the provisions of subsection (1) above, reduced one-half of one (0.5) percent for each month that the commencement of the regular pension precedes the month of the member's attainment of age sixty (60).
- (e) Specifically excluded from **[this] Benefit Plan No. 2 and Benefit Plan No. 3** 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 hired before July 1, 2004**, 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 § 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 thirty (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 fifty (50) and are either currently making payments sufficient to purchase time and age or, within thirty (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, or
 - (3) Members of the fund who have made no election to date.
- (i) Notwithstanding the provisions of this Section 192.26, the members of the Pittsburgh Recreational Teachers Union Local 668 who elect to retire between January 1, 2012, and December 31, 2016, shall receive those benefits established within the Pension Act of 1975 (Act 87 of 1975, P.L. 169 of 1975, 53 P.S. § 23581, et seq., (the "Pension Act") as modified by Ordinances 13 and 14 of 1987. Any conflict between the provisions of this Section 192.26 and the applicable provisions of the Pension Act, as modified by Ordinances 13 and 14 of 1987, shall be resolved in favor of the Pension Act, as modified by Ordinances 13 and 14 of 1987.
- (j) Notwithstanding the provisions of this Section 192.26:
- (1) The members of unions represented by the Joint Collective Bargaining Committee ("Union Members") who elect to retire between January 1, 2012, and December 31, 2016, shall receive those benefits set forth in the Pension Act, as modified by Ordinance 22 of 2001. Any conflict between the provisions of this Section 192.26 and the applicable provisions of the Pension Act, as modified by Ordinance 22 of 2001, shall be resolved in favor of the Pension Act, as modified by Ordinance 22 of 2001.
 - (2) The Union Members who elect not to receive the pension enhancements of Ordinance 22 of 2001 shall be provided pension benefits set forth in the Pension Act. Any Union Member hired before December 31, 2006, shall, upon retirement, not be subject to the reduction of **[his or her] the member's** pension for Social Security benefits received as provided for in Section 8(4) of the Pension Act and Section 192.26(a)(4) of this Chapter 192 (collectively "Social Security Offset").

This amendment shall be retroactive to January 1, 2012.

- (k) Notwithstanding the provisions of this Section 192.26:
- (1) The members of Service Employees International Union Local 192-B ("Local 192-B Member") who were members of the Municipal Benefit Plan No. 2 Fund as of December 31, 2004, shall be provided pension benefits as provided by the Pension Act as modified by Ordinances 13 and 14 of 1987. Any conflict between the provisions of this Section 192.26 and the applicable provisions of the Pension Act, as modified by Ordinances 13 and 14 of 1987, shall be resolved in favor of the Pension Act, as modified by Ordinances 13 and 14 of 1987.
 - (2) Any Local 192-B Member hired before December 31, 2004, shall, upon retirement, not be subject to the reduction of **[his or her] the member's** pension by the Social Security Offset.

This amendment shall be retroactive to January 1, 2010.

- (l) Notwithstanding the provisions of this Section 192.26:
- (1) Members of Fraternal Association of Professional Paramedics ("Paramedics Union") hired by

the City on or before January 1, 2006, shall, upon retirement, not be subject to the reduction of **[his or her] the member's** pension by the Social Security Offset. Any member of the Paramedics Union hired after January 1, 2006, shall, upon his retirement, be subject to the reduction of **[his]** pension benefit by the Social Security Offset.

- (2) Members of the Paramedics Union shall be entitled to retire with full pension benefits at age fifty-five (55) and there shall be no actuarial reduction for members of the Paramedics Union electing to retire at age fifty-five (55).
- (3) For each member of the Paramedics Union entitled to retire at age fifty-five (55) with full benefits, the City's General Fund shall be required to reimburse the Municipal Pension Fund the cash difference in benefit for each member retiring between ages of fifty-five (55) and sixty (60), the amount to be reimbursed by the City shall be calculated as the cash difference representing the monthly waived age reduction penalty to age sixty (60).

This amendment shall be retroactive to July 1, 2006, being the effective date of the January 1, 2006, agreement between the City and the Paramedics Union.

(m) Notwithstanding the provisions of this Section 192.26:

- (1) The members of AFSCME District Council 84 Local 2719 ("Local 2719 Members") who elect to retire between January 1, 2010, and December 31, 2014, shall receive those benefits established within the Pension Act.
- (2) Local 2719 Members hired on or before December 31, 2004, shall, upon retirement, not be subject to the reduction of **[his or her]** pension by the Social Security Offset insofar as the employee applied for that benefit during the open enrollment period.

This amendment shall be retroactive to January 1, 2010.

(n) Notwithstanding the provisions of this Section 192.26:

- (1) The members of the Pittsburgh Recreational Teachers Union Local 668 ("Local 668 Members") who elect to retire between January 1, 2010, and December 31, 2014, shall receive those benefits established by the Pension Act as modified by Ordinances 13 and 14 of 1987. Any conflict between the provisions of this Section 192.26 and the applicable provisions of the Pension Act, as modified by Ordinances 13 and 14 of 1987, shall be resolved in favor of the Pension Act, as modified by Ordinances 13 and 14 of 1987.
- (2) Local 668 Members hired on or before December 31, 2004, shall, upon retirement, not be subject to the reduction of **[his or her]** pension by the Social Security Offset insofar as the employee applied for that benefit during the open enrollment period.

This amendment shall be retroactive to January 1, 2010.

(o) Notwithstanding the provisions of this Section 192.26, or the pension sidebar dated November 20, 2001, for the members of AFSCME AFL-CIO Local 2037 ("Local 2037 Members"):

- (1) Local 2037 Members who elect to retire between January 1, 2010, and December 31, 2014, shall receive those benefits established within the Pension Act.
- (2) Local 2037 Members hired on or before December 31, 2004, shall, upon retirement, not be subject to the reduction of **[his or her]** pension by the Social Security Offset insofar as the employee applied for that benefit during the open enrollment period.

This amendment shall be retroactive to January 1, 2010.

Section 9. The City Code is hereby amended at Title One: Administrative, Article XI: Human Resources, Chapter 192: Pensions, Municipal Pension Plan No. 2, Section 192.27: Death Benefits, as follows:

§ 192.27 - DEATH BENEFITS.

- (a) In the event of the death of a member in active service who shall have had at least eight (8) years credited service and shall have attained age fifty (50), a survivor benefit shall become payable to his or her surviving spouse, if any, in an amount which shall be equal to fifty (50) percent of the pension amount determined in § 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 one (1) percent for each year in excess of five (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 eight (8) years of credited service and attains age fifty (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** **or Benefit Plan No. 3** may elect in writing at the time of retirement to receive a monthly pension determined in accordance with § 192.26 which shall be further reduced in accordance with Table A attached hereto (depending on the ages of the pensioner and his or her spouse at the time of retirement), with fifty (50) percent 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 one (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 fifty (50) percent 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.