

CITY OF JEANNETTE
Westmoreland County, Pennsylvania

BILL NO. 13-02

ORDINANCE NO. 13-02

AN ORDINANCE AMENDING ARTICLE 343 SECTION 343.021 “ADDITIONAL IMPOSITION RATE UNDER ACT 205 OF 1984, THE PENSION STANDARD AND RECOVERY ACT.” OF THE CODIFIED ORDINANCES OF THE CITY OF JEANNETTE, WESTMORELAND COUNTY, PENNSYLVANIA.

WHEREAS, the City of Jeannette’s Pension Plans have been determined to be at a Level II distress level by the Pennsylvania Employees Retirement Commission (PERC); and

WHEREAS, as a result of the Level II determination, the City of Jeanette has elected a number of options for funding and recovery of the plans including the option to impose an additional tax levy under the special municipal taxing authority provision in Act 205, Section 607 (F); and

WHEREAS, the City has completed a calculation that confirms that the City may levy an additional tax on the earned income of both residents and non-residents for the sole purpose of defraying the costs required to be paid into the pension plans as a result of the mandates under Act 205; and

WHEREAS, the City has determined it is necessary to increase the current rate in which an additional tax on earned income tax of both residents and nonresidents for the sole purpose of defraying the cost required to be paid into the pension plan as a result of the mandates of Act 205; and

WHEREAS, the City has determined that rate must be increased to assist in the deficiency of the applicable funds to be paid into the pension plan as a result of the mandates of Act 205.

NOW, THEREFORE, WITH THE FOREGOING RECITALS BEING INCORPORATED HEREIN BY REFERENCE THERETO, IT IS HEREBY ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF JEANNETTE, AS FOLLOWS:

SECTION I. That Article 343 section 343.021 of the Codified Ordinance of the City of Jeannette, entitled “Additional Imposition Rate Under Act 205 Of 1984, The Pension Standard and Recovery Act” is hereby amended as follows:

The special additional earned income tax for pension fund recovery purposes is .5% for both residents and non-residents and is hereby imposed on:

- a. All salaries, wages, commissions and other compensation earned on and after January 1, 2014 by residents of the City of Jeannette; and on
- b. All salaries, wages, commissions and other compensation earned on and after January 1, 2014 by non-residents of the City of Jeannette for work done or services performed or rendered in the City of Jeannette; and on
- c. The net profits earned on and after January 1, 2014 of businesses, professions or other activities conducted by such residents; and on
- d. The net profits earned on and after January 1, 2014 of businesses, professions or other activities conducted in the City of Jeannette by non-residents.

The tax levied under both (a) and (b) above shall relate to and be imposed upon salaries, wages, commissions and other compensation paid by an employer or on his behalf to any person who is employed by or renders services to him. The tax levied under both (c) and (d) above shall relate to and be imposed on the net profits of any business, profession, or enterprise carried on by any person as owner or proprietor either individually or in association with some other person or persons.

The amended additional tax levied above shall not be shared by the School District or any other governmental entity, and non-residents shall be given credit for the amount of earned income tax paid to the municipality in which they reside.

Said additional tax shall first be levied, collected, and paid with respect to the salaries, wages, commissions and other compensation earned from and after January 1, 2014 and with respect to the net profits of businesses, professions, or other activities earned during the calendar year 2014 beginning January 1, 2014, provided, however, that where the fiscal year of the business, profession, or other activity differs from the calendar year, the tax shall be applied to that part of the net profits for the fiscal year as shall be earned from and after January 1, 2014.

SECTION II. All other provisions of Article 343 remain in effect.

SECTION III. Any ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed.

SECTION IV. This Ordinance shall become effective immediately upon final passage.

THIS ORDINANCE IS DULY ORDAINED AND ENACTED BY A MAJORITY OF THE MEMBERS OF COUNCIL OF THE CITY OF JEANNETTE, AT A DULY ADVERTISED PUBLIC MEETING HELD ON THE 25TH DAY OF NOVEMBER, 2013.

THE CITY OF JEANNETTE:

/s/Robert M. Carter

By: Robert M. Carter

Mayor

ATTEST:

/s/ Michael J. Minyon, Jr. _____

Michael J. Minyon, Jr.

City Clerk