

**RETIREMENT BENEFITS OF POLICE OFFICERS**  
**HELD A VALID SUBJECT OF BARGAINING**

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In City of Pittsburgh v. Fraternal Order of Police, Ft. Pitt Lodge No. 1, 850 A.2d 846 (Pa. Commw. 2004), the Pennsylvania Commonwealth Court held, among other things, that retirement benefits embodied in prior collective bargaining agreements can be re-negotiated for police officers who have not yet retired.

Specifically at issue in City of Pittsburgh, were the medical benefits provided to a retiring police officer and his or her spouse. Prior to this case the City provided any officers who retired after January 1, 1996 with Blue Cross /Blue Shield Major Medical insurance coverage and the City contributed towards the cost of the coverage an amount equal to that charged by Blue Cross /Blue Shield. This same contract provision had appeared in prior versions of the collective bargaining agreement between Pittsburgh and the FOP.

The dispute arose (and was submitted to interest arbitration) because the City of Pittsburgh proposed that, going forward, it be permitted to change medical insurance providers for retirees and future retirees. It also proposed that its contribution toward premium costs for retiree medical insurance be capped at the date of retirement with the retiree paying any increases.

The FOP argued that both current retirees and those officers actively employed had a contractual right to specified medical insurance coverage (including particular insurance providers) and a contractual right to have the City pay any premium increases for such coverage after retirement. The FOP argued that under both the state and federal constitutions these were property rights that could not be changed.

The Commonwealth Court began by noting that, because police officers who had already retired were no longer members of the bargaining unit, the City and the FOP lacked the authority to enter into an agreement regarding their rights and obligations. The Arbitration Board therefore lacked jurisdiction over the issue of whether the City could change medical providers for current retirees and the Court vacated and remanded that part of the decision.

The Court went on to hold that the benefits of working officers who would eventually retire were the legitimate subject of bargaining, and, through that process, could be changed. “[The constitution] foreclose[s] unilateral change in contractual benefits, not changes that are entered by mutual agreement in a contract or by and Act 111 panel. If we were to adopt the FOP’s position, it would mean that collective bargaining contracts and Act 111 boards could only award increased benefits and could never reduce any benefits.” 850 A.2d at 852-53.

While few employers are granting new post-retirement healthcare benefits, many have provisions for such benefits in their current contracts. This case confirms that such benefits at least for current employees, are fair game. The FOP filed a petition asking the Pennsylvania Supreme Court to review this decision. That petition has been pending since June.