

county annuities for superannuation retirement. The same options shall be available to beneficiaries in case of involuntary *or voluntary* retirement as provided herein in the case of superannuation retirement.

APPROVED—The 7th day of October, A. D. 1955.

GEORGE M. LEADER

No. 190

AN ACT

Amending the act of August five, one thousand nine hundred forty-one (Pamphlet Laws 803), entitled, as amended, "An act providing for the creation, maintenance and operation of a county employes' retirement system in counties of the fifth, sixth, seventh \*and eighth class; imposing certain charges on counties, and prescribing penalties", changing the definition of "Final Salary", the membership of the board, and its method of accounting, and making payments out of the retirement fund, and the options allowed upon retirement; authorizing the board to permit transfers to the one-eightieth (1/80) class of contribution and adjustment of county annuities; allowing credit for prior service for certain per diem employes; making provisions, in certain cases retroactive, for contributors who are qualified for but die before retirement; authorizing the establishment of a minimum retirement allowance; and providing for the reinstatement of contributors returning from military service.

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

Section 1. The definition of "Final Salary" in section one, act of August five, one thousand nine hundred forty-one (Pamphlet Laws 803), entitled, as amended, "An act providing for the creation, maintenance and operation of a county employes' retirement system in counties of the fifth, sixth, seventh and eighth class; imposing certain charges on counties and prescribing penalties," reenacted and amended May two, one thousand nine hundred forty-nine (Pamphlet Laws 881), and amended May twenty-three, one thousand nine hundred forty-nine (Pamphlet Laws 1688), is amended to read:

Section 1. The following words and phrases as used in this act, unless a different meaning is plainly required by the context, shall be construed to have the following meanings: • • • • •

"Final Salary," the average annual salary received by a contributor for *the five highest* years of service [immediately preceding retirement,] *in the employment*

\* "an" in original.

Employes' retirement system: counties of the 5th, 6th, 7th and 8th class.

Definition of "Final Salary," section 1, act of August 5, 1941, P. L. 803, enacted and amended May 2, 1949, P. L. 881, and amended May 23, 1949, P. L. 1688 further amended.

of the county, or, in the event a member has not served five years, the total salary received divided by the number of years served.

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Section 2. Section two, of the act amended May ten, one thousand nine hundred fifty-one (Pamphlet Laws 233), is amended to read:

Section 2, act of August 5, 1941, P. L. 803, amended May 10, 1951, P. L. 233, further amended.

Section 2. County Retirement System and County Retirement Board Created.—A retirement system may be established for county employes by resolution of the county commissioners in any county of the fifth, sixth, seventh and eighth class, which system, when established, shall be administered by a county retirement board which shall consist of the [chairman of the board of] county commissioners [or his representative, who shall be its chairman], the county controller [or his representative], if any, if not, then the chief clerk to the county commissioners, [and one county employe to be selected from time to time by the county employes for a term of two years.] and the county treasurer. The chairman of the board of county commissioners shall be chairman of the board. Each member of the board may designate a deputy or clerk to act in his stead. Each member of the board shall take an oath of office that he will diligently and honestly administer the affairs of the board and that he will not knowingly violate or permit to be violated any of the provisions of this act. Such oath shall be subscribed by the member taking it and shall be filed among the records of the board. The members of the board shall not receive any compensation for their services, but shall be reimbursed for all expenses necessarily incurred in the performance of their duty.

[Two] Three members of the board shall constitute a quorum.

The retirement system herein provided for shall be established on the first Monday of January of the year succeeding the one in which the resolution of the county commissioners was adopted.

Section 3. Section five of the act, reenacted and amended May two, one thousand nine hundred forty-nine (Pamphlet Laws 881), and amended May seventeen, one thousand nine hundred forty-nine (Pamphlet Laws 1399), is amended to read:

Section 5, act of August 5, 1941, P. L. 803, reenacted and amended May 2, 1949, P. L. 881, and amended May 17, 1949, P. L. 1399, further amended.

Section 5. County Employes' Retirement Fund.—There is hereby created in each county of the fifth, sixth, seventh and eighth class in which a retirement system has been established a county employes retirement fund which shall consist of all moneys arising from appropriations made by the county and from contributions

made by the members of the county employes retirement system and all interest earned by the investments or moneys of the fund created by this act. The moneys contributed by the county shall be credited to a county annuity reserve account, and those contributed by the members shall be credited to a member's annuity reserve account [,and the interest earnings shall be apportioned to the member's and county annuity reserve accounts]. *Upon the granting of a retirement allowance to any contributor whether as a superannuation retirement allowance, an involuntary retirement allowance, or a total disability retirement allowance, as hereinafter provided, the amount of such contributor's accumulated deductions in the members' annuity reserve account shall lose their status as accumulated contributions and shall be transferred to a retired members' reserve account and the actuarial equivalent of the county annuity shall be similarly transferred from the county annuity reserve account to the retired members' reserve account. The interest earnings shall be apportioned to the members' annuity and county annuity and retired members' reserve accounts.* The actuary shall determine the present value of the liability on account of all county annuities payable to original members and the percentage of such liability which shall be contributed by the county each year over a period of fifteen years from the time the system is established until the accumulated reserve equals the present value of said liability. All such contributions shall be credited to the county annuity reserve account. The actuary shall also determine the amount which shall be contributed by the county into the fund periodically for credit to the county annuity reserve account on account of service of all new and original members subsequent to the time the retirement system is established.

Each member of the retirement system shall be required to contribute to the fund such per centum of his salary as shall be computed by the actuary to be sufficient with regular interest to procure for him on superannuation retirement one one-hundred-twentieth ( $1/120$ ) of his final salary for each year of service after December thirty-first preceding the year the retirement system is established, which contributions shall be paid into the fund through payroll deductions in such manner as the board may require. All contributions by members shall be credited to the member's annuity reserve account.

The board may at any time by rule authorize members of the retirement system, whether original or new members, to transfer from the one one-hundred-twentieth ( $1/120$ ) or one one hundredth ( $1/100$ ) class to the [one one-hundredth ( $1/100$ )] one-eightieth ( $1/80$ ) class, and

whenever such transfer shall be authorized, salary deductions applicable to such transferred members shall be based upon the same age of the contributor as was used in determining the per centum of salary deduction applicable while in the one one-hundred-twentieth ( $1/120$ ) class or one one-hundredth ( $1/100$ ) class, as the case may be.

Section 4. Sections six and ten of the act, reenacted and amended May two, one thousand nine hundred forty-nine (Pamphlet Laws 881), are amended to read:

Sections 6 and 10, act of August 5, 1941, P. L. 803, reenacted and amended May 2, 1949, P. L. 881, further amended.

Section 6. Custody of and Payments from Fund.—All moneys and securities in the fund created by this act shall be placed in the custody of the county treasurer for safekeeping, and all payments from said fund [on account of retirement allowances] shall be made only on requisition signed by the chairman and secretary of the board.

Section 10. Service Allowance.—In computing the length of service of a contributor for retirement purposes, full credit shall be \*given to each original member for each year of service rendered to the county prior to January first of the year the retirement system was established. This shall include the service of a county official whose compensation was in the form of fees collected by his office, and shall also include the services of employes paid directly by such county official out of such fees. *Full credit shall also be given for each year of service of a contributor who was a per diem employe of the county for a period of at least five years prior to the time the system became effective and who averaged at least two hundred days of employment in each of those years.* As soon as practicable the retirement board shall issue to each original member a certificate certifying the aggregate length of his service prior to January first of the year the retirement system was established. Such certificate shall be final and conclusive as to his prior service, unless thereafter modified by the board upon application of the member. The time during which a member is absent from service without pay shall not be counted in computing the service of a contributor, unless allowed by the county commissioners and approved by the board.

Section 5. Section eleven of the act, reenacted and amended May two, one thousand nine hundred forty-nine (Pamphlet Laws 881), and amended May seventeen, one thousand nine hundred forty-nine (Pamphlet Laws 1399), is amended to read:

Section 11, act of August 5, 1941, P. L. 803, reenacted and amended May 2, 1949, P. L. 881, and amended May 17, 1949, P. L. 1399, further amended.

Section 11. Superannuation Retirement Allowance.—Any contributor who has reached superannuation retire-

\* "give" in original.

ment age may retire for superannuation by filing with the board a written statement duly signed by the contributor setting forth at what time he desires to be retired. Said application shall retire said contributor at the time so specified.

On retirement for superannuation a beneficiary shall receive a retirement allowance which shall consist of (a) a member's annuity, which shall be the actuarial equivalent of his accumulated deductions standing to his credit in the member's annuity reserve account, and (b) a county annuity equal to one one-hundred-twentieth (1/120) of his final salary multiplied by each year of total service, and, in addition thereto, in the case of an original member one one-hundred twentieth (1/120) of his final salary multiplied by each year of prior service, but the total county annuity shall never exceed fifty per centum of the final salary.

Whenever the board [shall] *has* by rule [authorize] *authorized* the members of the retirement system to transfer from the one one-hundred-twentieth (1/120) class to the one one-hundred (1/100) class *or whenever the board shall hereafter by rule authorize the transfer to the one-eightieth (1/80) class*, the county annuity shall be calculated as follows:

(a) For service prior to the time of transfer, at the one one-hundred-twentieth (1/120) rate *or the one one-hundredth (1/100) rate, as the case may be;*

(b) For service subsequent to the date of transfer to the date of retirement *or to the time of a subsequent transfer*, at the *\*(1/100)* rate *applicable during such period;*

(c) For all service prior to the time of commencing contribution as the time he contributed at the one one-hundred-twentieth (1/120) rate bears to the total time of contribution and as the time he contributed at [the one one-hundredth (1/100) rate] *any other rate herein provided for bears to the total time of contribution.*

Section 12, act of August 5, 1941, P. L. 803, re-enacted and amended May 2, 1949, P. L. 881, and amended May 10, 1951, P. L. 233, further amended.

Section 6. Section twelve of the act, reenacted and amended May two, one thousand nine hundred forty-nine (Pamphlet Laws 881), and amended May ten, one thousand nine hundred fifty-one (Pamphlet Laws 233), is amended to read:

Section 12. Options on Superannuation Retirement.—At the time of his superannuation retirement any beneficiary may elect to receive *either* his retirement allowance payable throughout life, or [if such retirement allowance shall amount to less than ten dollars per

\* ( omitted in original.

month, he may elect] to receive the full amount of the accumulated deductions standing to his individual credit in the member's annuity reserve account *at the time of his voluntary or involuntary retirement*, or he may in any event elect to receive the actuarial equivalent of his member's and county annuity in a lesser retirement allowance payable throughout life with provisions that:

Option One. If he die before receiving in payments the present value of his member's annuity and county annuity as it was at the time of his retirement, the balance shall be paid to his legal representatives or to such person having an insurable interest in his life as he shall nominate by written designation duly acknowledged and filed with the board at the time of his retirement or at any time thereafter.

Option Two. Upon his death his member's annuity and county annuity shall be continued through the life of, and paid to, such person having an insurable interest in his life as he shall nominate by written designation duly acknowledged and filed with the retirement board at the time of his retirement.

Option Three. Upon his death one-half of his member's and county annuity shall be continued through the life of, and paid to, such person having an insurable interest in his life as he shall nominate by written designation duly acknowledged and filed with the board at the time of his retirement.

Section 7. The act reenacted and amended May two, one thousand nine hundred forty-nine (Pamphlet Laws 881) is amended by adding, after section thirteen, three new sections to read:

*Section 13.1. Retirement as of Time of Death.—Any contributor who is entitled to retire under the provisions of this act by reason of having completed twenty-five (25) years of total service or by reason of having reached superannuation retirement age may file with the retirement board a written application for retirement in the form required for such application, but requesting that such retirement shall become effective as of the time of his death, electing one of the options provided in section twelve and nominating a beneficiary under said option as required in said section.*

*In all such cases, the application shall be held by the retirement board until the contributor shall file a later application in the usual manner for retirement or until the death of the contributor occurring while in county service, at which time his retirement shall become effective with the same benefits to the designated beneficiary as if the contributor had retired on the day immediately preceding his death.*

Act of August 5, 1941, P. L. 803, reenacted and amended May 2, 1949, P. L. 881, further amended by adding three new sections 13.1, 13.2 and 13.3.

*Section 13.2. Retirement While in County Service.—Any contributor who is or was entitled to retire under the provisions of this act by reason of having completed twenty-five (25) years of total service or by reason of having reached superannuation retirement age, and who shall die while in county service before filing with the retirement board a written application for retirement as heretofore provided, or has died and whose payments into the fund have not been withdrawn, shall be considered as having elected Option one as provided in section twelve of this act, as of the date of his or her death. In such event, payment under Option one shall be made to the beneficiary designated in the nomination of beneficiary form on file with the retirement board. If said beneficiary has predeceased the contributor, payment under Option one shall be made to the legal representative of said contributor.*

*Section 13.3. When Effective.—The provisions of sections 13.1 and 13.2 shall apply to all contributors who became eligible for retirement before the first day of January, one thousand nine hundred fifty-two, and who have died since that date without having filed a written statement as required in the act: Provided, however, That application for payment of benefits shall be made within six (6) months of the effective date of this act.*

Act of August 5, 1941, P. L. 803, reenacted and amended May 2, 1949, P. L. 881, further amended by adding a new section 14.1.

Section 8. The act reenacted and amended May two, one thousand nine hundred forty-nine (Pamphlet Laws 881), is amended by adding, after section fourteen, a new section to read:

*Section 14.1. Optional Minimum Allowances.—At any time the board by rule may, by increasing the county annuity, authorize the payment of a minimum annual retirement allowance of twelve hundred dollars payable monthly in the amount of one hundred dollars to every beneficiary who shall thereafter retire for superannuation after twenty years' service as a county employe, but no county annuity shall in any case exceed fifty per centum of the average salary.*

Act of August 5, 1941, P. L. 803, reenacted and amended May 2, 1949, P. L. 881, further amended by adding a new section 17.4.

Section 9. The act reenacted and amended May two, one thousand nine hundred forty-nine (Pamphlet Laws 881), is amended by adding, after section 17.3, a new section to read:

*Section 17.4. Reinstatement on Return from Military Service.—Any contributor who entered into active military service shall, upon return to county employment, be permitted to pay into the retirement fund an amount which shall be equal to the salary deductions multiplied by the number of months during which he*

*was absent from county employment in active military service either in a lump sum or by installments, but in no event shall such payments be made in installments less than sufficient to pay such amount by the time the member attains superannuation retirement age. A contributor who complies with the foregoing provisions of this section shall be entitled to all the benefits to which he may have been entitled as fully as though such county employe had continued in county employment during the period of such active military service.*

APPROVED—The 7th day of October, A. D. 1955.

GEORGE M. LEADER

No. 191

AN ACT

Amending the act of June four, one thousand nine hundred thirty-seven (Pamphlet Laws 1625), entitled "An act providing for the creation, maintenance and operation of a county employes retirement system in counties of the third class; and imposing certain charges on counties", changing the definition of "final salary", the membership of the board, the manner of paying money out of the retirement fund, and the options allowed upon retirement; authorizing the board to permit transfers to the one-eightieth (1/80) class of contributors and adjusting the county annuities; allowing employes credit in certain cases for prior service; making provisions, in certain cases retroactive, for contributors who are qualified for but die before retirement.

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

Section 1. The definition of "Final Salary" in section one, act of June four, one thousand nine hundred thirty-seven (Pamphlet Laws 1625), entitled "An act providing for the creation, maintenance and operation of a county employes retirement system in counties of the third class; and imposing certain charges on counties," amended December twenty-two, one thousand nine hundred fifty-one (Pamphlet Laws 1723) is amended to read:

Third class counties employes retirement system.

Definition of "Final Salary," section 1, act of June 4, 1937, P. L. 1625, amended December 22, 1951, P. L. 1723, further amended.

Section 1. Be it enacted, &c., That the following words and phrases, as used in this act, shall be construed to have the following meanings:

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"Final Salary," the [highest] average annual salary received by contributor for [any five consecutive] *the five highest* years of service [preceding retirement,] *in*