

No. 19

AN ACT

HB 293

Amending the act of July 28, 1953 (P.L.723, No.230), entitled, as amended, "An act relating to counties of the second class and second class A; amending, revising, consolidating and changing the laws relating thereto," further providing for increased contributions and allowances, guarantees and appropriations by the county, vesting rights and credit for certain previous service and eliminating certain service increments.

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

Section 1. The definition of "Service Increment" and "Early Retirement" of section 1701, sections 1708 and 1709, subsections (a) and (h) of section 1710, subsection (a) of section 1711 and subsections (a), (b), (c), (d) and (e) of section 1712 and section 1713, act of July 28, 1953 (P.L.723, No.230), known as the "Second Class County Code," amended December 10, 1970 (P.L.919, No.291), are amended to read:

Section 1701. Definitions.—The following words and phrases as used in this article shall be construed to have the following meaning:

* * *

["Service Increment," the amount a county employe is eligible to receive in addition to his or her retirement allowance by reason of his or her extra years of service.]

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"Early Retirement," reduced retirement benefits at age fifty-five with completion of [ten] *eight* years of service depending upon the service requirements for normal retirement.

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Section 1708. Compulsory Membership; Employes Payment Into Fund; Exceptions; Vested Interest.—(a) Each county employe shall be required to become a member of the county employes' retirement system within six months from the date of his or her employment. The said county employe may elect to become a member of the retirement system at any time during the aforesaid six months period of time by notifying the head of the department, office or agency in which department, office or agency he or she is employed of the said election. A copy thereof shall be filed immediately with the board. He or she shall, each month, pay into the retirement fund a monthly contribution, being a certain percentage of the amount received by him or her as compensation during the preceding calendar month, which shall be computed on a monthly compensation of [six hundred dollars (\$600)] *two thousand dollars (\$2,000)* or less. Said monthly contribution shall be the percentage of his or her compensation as heretofore stated, [which percentage is] *on a graduated scale* as follows:

[Prior to and for the year 1965, five per centum.

For the year 1966, six per centum.

For the year 1967, six and one-half per centum.

For the year 1968, seven per centum.

For the year 1969, and thereafter, seven and one-half per centum.]

For the year 1973 and thereafter, five per centum up to seven hundred fifty dollars (\$750) per month.

Seven and one-half per centum from seven hundred fifty dollars (\$750) to fifteen hundred dollars (\$1500) per month.

Ten per centum from fifteen hundred dollars (\$1500) to two thousand dollars (\$2,000) per month.

Except as hereinafter provided, the aforesaid increase rate of monthly contributions to be paid into the retirement fund to enhance the actuarial soundness of said fund, shall be applicable to all county employes who are members of the retirement system. Such monthly contributions shall be collected by the county treasurer and by him paid into the retirement fund. The payment of the increased rate of the aforesaid monthly contributions shall not apply to such former county employes whose monthly contributions are now paid into said fund in accordance with the provisions of subsection (d) of section 1713. Any county employe receiving compensation for accidental injuries in accordance with the provisions of The Pennsylvania Workmen's Compensation Act shall during the period of time in which such county employe is receiving disability benefits, as provided in the aforesaid act, pay each month for retirement benefits a sum equal to the last monthly contribution as paid into the retirement fund when said county employe was in employment. The monthly contribution shall not be paid by any person who was receiving a retirement allowance and is subsequent to the thirty-first day of May, one thousand nine hundred fifty-three, reemployed as a county employe or any other person who is ineligible to become a member of the retirement system.

(b) All present and future county employes except such persons who are reemployed as such subsequent to the thirty-first day of May, one thousand nine hundred fifty-three, in accordance with the provisions of subsection (c) of section 1712, shall upon retirement be entitled to receive the benefits of such change in the service period increased maximum retirement allowance and service increment if any as well as such other benefits as may apply to his or her status upon retirement in accordance with the provisions of this article.

(c) No future county employe including persons who are reemployed as such, except as hereinafter provided, whose contributions as paid into the retirement fund have been retained therein or have been refunded by the board, shall have a contractual or vested interest in the retirement system prior to the time he or she shall have fulfilled all conditions required to qualify such county employe for a retirement allowance plus a service increment if any. It shall not include persons who are

reemployed as county employes in accordance with the provisions of subsection (c) of section 1712.

Section 1709. Appropriation and Payment to Retirement Fund.—At their annual budget session, the county commissioners shall make such an appropriation as will enable them to pay, and there shall be paid out of county taxes and county institution district taxes, a sum of money, each month, which shall be equal to the amount paid into the retirement fund by the county employes during the preceding month or bi-weekly pay periods in accordance with the provisions of section 1708.

The county commissioners shall appropriate such amounts as are certified by the State Employes' Retirement Board as necessary to establish reserves for the benefit of any former member of the county employes' retirement system, whose employment with the county was terminated because of the incorporation into the State highway system of all or any county highways, or sections thereof, bridges, tunnels, viaducts, or sections thereto, in counties of the second class, and who became a member of the State Employes' Retirement System and who elected to receive credit in the State Employes' Retirement System for service as a member of the county employes' retirement system. Such appropriations shall be made at the annual budget session next succeeding the year in which certification is received from the State Employes' Retirement System and payment to the State Employes' Retirement Fund shall be made within ninety (90) days of the adoption of the budget.

It shall be the duty of the county commissioners to appropriate annually sufficient funds, necessary to guarantee payment of all administrative costs, benefit commitments and legal obligations of the Employes' Retirement Board.

Section 1710. Employes Eligible for Retirement Allowances.—(a) Every present or future county employe who has reached the age of sixty years or upwards and who has to his or her credit a period of service of [ten] *eight* years but less than twenty years shall, upon application to the board, be retired from service, and shall thereafter receive, during life, except as hereinafter provided, a retirement allowance computed on a service period of twenty (20) years which shall equal one twentieth (1/20) of such amount as he or she may be eligible to receive in accordance with the provisions of subsection (a) of section 1712, for each year's service which such county employe may have to his or her credit during the aforesaid period of time. The time spent in the employ of the county or county institution district need not necessarily have been continuous. The aforesaid retirement allowance shall be subject to a suspension thereof in accordance with the provisions of subsection (h) of this section 1710 and subsection (c) of section 1712.

* * *

(h) Option I. Any present or future county employe who has reached [fifty-five] *fifty* years of age but less than sixty and who has to his

or her credit a period of **[ten] eight** years but less than twenty years of service, shall upon application to the board be eligible to receive at age sixty years, a retirement allowance computed on a service period of twenty years, which shall equal one-twentieth of such amount as he or she may be eligible to receive in accordance with the provisions of subsection (a) of section 1712 for each year's service which such county employe may have to his or her credit during the aforesaid period of time. The time spent in the employ of the county or county institution district need not necessarily have been continuous.

Option II. Any present or future county employe who has reached **[fifty-five] fifty** years of age but less than sixty and who has to his or her credit a period of **[ten] eight** years but less than twenty years of service, shall upon application to the board be eligible to receive thereafter, a retirement computed on a service period of twenty years, which shall equal one-twentieth of such amount as he or she may be eligible to receive in accordance with the provisions of subsection (a) of section 1712 for each year's service which such county employe may have to his or her credit during the aforesaid period of time. Further, the above retirement allowance shall be subject to a reduction of one-half of one per centum for each month under the age of sixty years. ***In no event shall a retirement allowance be paid until the age of fifty-five years is attained.*** The time spent in the employ of the county or county institution district need not necessarily have been continuous. The aforesaid retirement allowance elected under Option I shall become null and void if said county or county institution district employe is reemployed prior to age sixty in accordance with the provisions of subsection (c) of section 1712.

Section 1711. Exceptions in Favor of Employes Totally and Permanently Disabled.—(a) Any present or future county employe, except persons who are employed in accordance with the provisions of subsection (c) of this section and persons who are reemployed in accordance with the provisions of subsection (b) of section 1715, who has been in employ for a period of not less than **[fifteen] twelve** years, upon application to the board, may receive a retirement allowance **[plus a service increment if any,]** in accordance with the provisions of section 1712, if he or she becomes mentally incapacitated or totally and permanently disabled physically, even though such county employe has not reached the age of sixty years, provided that proof of such mental incapacity or total and permanent physical disability shall be by the unanimous opinion and sworn statements of three practicing physicians of the county designated by the board. Application in behalf of a mentally incapacitated county employe for a retirement allowance **[plus a service increment if any,]** shall be made by a duly appointed guardian who shall be entitled to receive such retirement allowance **[plus a service increment if any,]** to which the mentally incapacitated county employe may be eligible to receive.

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Section 1712. Amount of Retirement Allowances.—(a) The retirement allowance paid under the provisions of this article shall equal fifty per centum of the amount which would constitute the average monthly compensation as received by the county employe during the **[last] highest twenty-four months of the last four (4) years of his employment** or two years on a bi-weekly pay basis in which period of time the said county employe made monthly or bi-weekly contributions into the retirement fund prior to his or her retirement. Such average monthly compensation shall include the compensation which any county employe would have been entitled to and would have received except for deduction from compensation due to time spent in serving as an elected State official: Provided, That the county and the employe shall make monthly contributions based on the last compensation equal to the amount the county and he or she would have paid into the retirement fund had such compensation been paid by the county. No retirement allowance shall be computed on a monthly compensation in excess of **[six hundred dollars (\$600)] two thousand dollars (\$2,000)** nor shall a retirement allowance be paid for a fraction of a service year.

Notwithstanding any other provisions of this act or of any provisions of this act prior to the effective date hereof, no benefit payable under this section shall exceed fifty per centum of the amount which would constitute the average monthly compensation as received by the county employe during the highest twenty-four months of the last four years of his or her employment or two years on a bi-weekly pay basis in which period of time the said county employe made monthly or bi-weekly contributions into the retirement fund prior to his or her retirement, but in no event shall any employe, a member of the fund prior to the effective date hereof, receive less than said employe would have been eligible to receive prior to the effective date hereof.

After the effective date of this amendment, certain former county employes who are now receiving a retirement allowance shall receive an increase of a certain per centum of such retirement allowance, which sum shall be computed on the average monthly retirement allowance as heretofore authorized by the board.

The per centum of increase in said monthly retirement allowance shall be **[as indicated in the following schedule, to-wit:**

				Monthly Rate of Increase.
Persons receiving	\$20.00,	but less than	\$40.00,	50 per centum.
Persons receiving	40.00,	but less than	50.00,	40 per centum.
Persons receiving	50.00,	but less than	60.00,	30 per centum.
Persons receiving	60.00,	but less than	70.00,	20 per centum.
Persons receiving	70.00,	but less than	80.00,	10 per centum.
Persons receiving	80.00,	but less than	90.00,	5 per centum.]

a flat 10 per centum increase with the maximum amount not to exceed forty-five dollars (\$45.00) per month.

Any employe who earns in excess of ten thousand eight hundred dollars (\$10,800) per annum and shall retire during the period from January 1, 1973 to December 31, 1981 shall pay, as a condition to the payment of any benefits hereunder a lump sum contribution into the retirement fund, which contribution shall be computed as follows:

The difference between ten thousand eight hundred dollars (\$10,800) and the annual salary of the employe multiplied by the number of years during which he was not an employe of the county for the period aforesaid and upon that amount the sum of two per centum which shall be the lump sum contribution as required herein.

No person who is reemployed as a county employe shall be eligible to receive the benefit of a retirement allowance [plus a service increment, if any,] until he or she shall have made at least [twelve] *twenty-four* monthly or [twenty-six] *fifty-two* bi-weekly contributions into the retirement fund subsequent to his or her reemployment. The foregoing provisions shall not have a retroactive application and shall apply only to present and future county employes. The rate required to be paid in accordance with this provision shall apply to present county employes notwithstanding the rate of contribution that the present county employe has made into the retirement fund.

[(b) In addition to the retirement allowance which is authorized by this article and notwithstanding the limitations therein placed upon retirement allowances, any present or future county employe who upon retirement shall be eligible to receive payment of a retirement allowance and who has been employed as such for twenty-one or more years during which period of time he or she shall have made monthly contributions into the retirement fund, shall also be eligible to the payment in addition to a retirement allowance a service increment of five per centum per year computed upon the annual retirement allowance to which he or she is entitled. Said service increment shall be the sum obtained by computing the number of years in excess of twenty years during which period of time he or she shall have made monthly contributions into the retirement fund. No service increment shall be paid for more than ten (10) such excess service years nor shall a service increment be paid for a fraction of such service year.]

(c) Any person receiving a retirement allowance [plus a service increment, if any,] and is subsequently reemployed as a county employe, during the period of such reemployment his or her retirement allowance [plus a service increment if any,] shall cease until subsequent retirement. The subsequent retirement allowance [and service increment, if any,] in the case of persons reemployed prior to the first day of June, one thousand nine hundred fifty-three, and retiring at any time after the first day of August, one thousand nine hundred fifty-three, shall be at the rate he or she would have received had there been no previous retirement. In the case of persons reemployed after the thirty-first day of May, one thousand nine hundred fifty-three, the subsequent retirement allowance [plus a service

increment if any,] shall be the same as he or she received prior to his or her reemployment.

(d) Retirement allowance **[plus a service increment if any,]** shall be paid in monthly installments on warrants of the board. No retirement allowance **[plus a service increment if any,]** granted to any person who has heretofore retired or who shall hereafter retire shall be decreased or revoked during the life of any such person, except as the board may decide in accordance with the provisions of subsection (b) of section 1711, as well as a suspension thereof in accordance with the provisions of subsection (c) of this section.

(e) Any present or future married county employe covered under the provisions of this article may receive retirement benefits in accordance with the provisions of this section to which such county employe may be entitled or he or she may elect at anytime before retirement, **[or before age fifty-five if retirement benefits commence earlier due to involuntary separation,]** to receive in lieu thereof benefits under the option as hereinafter set forth.

* * *

Section 1713. Retirement Allowances After Leaving Service.—**[(a) Any present or future county employe who has to his or her credit a period of service of fifteen years but less than twenty years and before attaining the age of fifty years, who shall be separated from the service of the county or county institution district by reason of no cause or act of his or her own, such former county employe upon attaining the age of fifty years, shall, upon application to the board, be eligible to receive a retirement allowance computed on a service period of twenty (20) years which shall equal one-twentieth (1/20) of such amount as he or she may be eligible to receive in accordance with the provisions of subsection (a) of section 1712 for each year's service which such former county employe may have to his or her credit during the aforesaid period of time.**

The retirement allowance, herein provided for, shall be computed on the average monthly compensation as received by the former county employe prior to his or her separation from the service of the county or county institution district.

(b) Any present or future county employe who has to his or her credit a period of service of fifteen years but less than twenty years and is over the age of fifty years, who shall be separated from the service of the county or county institution district by reason of no cause or act of his or her own, such former county employe shall, upon application to the board, be eligible to receive a retirement allowance computed on a service period of twenty (20) years which shall equal one-twentieth (1/20) of such amount as he or she may be eligible to receive in accordance with the provisions of subsection (a) of section 1712 for each year's service which such former county employe may have to his or her credit during the aforesaid period of time.

The retirement allowance, herein provided for, shall be computed on the average monthly compensation as received by the former county employe prior to his or her separation from the service of the county or county institution district.

(c) Any present or future county employe who, after twenty or more years' service and before attaining the age of fifty years, shall be separated from the service of the county or county institution district by reason of no cause or act of his or her own, such former county employe shall, when he or she reaches the age of fifty years, be eligible to receive a retirement allowance which shall be computed on the average monthly compensation as received by the former county employe prior to his or her separation from the service of the county or county institution district in accordance with the provisions of subsection (a) of section 1712. Such former county employe shall be eligible to receive, in addition to a retirement allowance, a service increment, if any, in accordance with the provisions of subsection (b) of section 1712 only to the time of his or her separation from the service of the county or county institution district.]

(d) Option I. Any person who, after twenty or more years' service as a county employe resigns from his or her office position or employment before reaching the age of sixty years when he or she attains the age of sixty years, when such former county employe shall be eligible to receive a retirement allowance which shall be computed on the average monthly compensation as received by the former county employe prior to his or her separation from the service of the county or county institution district in accordance with the provisions of subsection (a) of section 1712. [Such former county employe shall be eligible to receive, in addition to a retirement allowance, a service increment, if any, in accordance with the provisions of subsection (b) of section 1712 only to the time of his or her separation from the service of the county or county institution district.]

Option II. Employe may elect to receive immediate retirement allowance benefits under the age of sixty years provided that said retirement allowance be reduced by one-half of one per centum for each month under the age of sixty years. Option I or Option II election shall be final upon separation of his or her service from the county.

(e) The aforesaid retirement allowance [plus a service increment, if any,] as provided in [subsections (a), (b), (c) and] subsection (d) of this section, shall be subject to a suspension thereof in accordance with the provisions of subsection (c) of section 1712.

Section 2. Section 1715 of the act, amended July 31, 1968 (P.L.959, No.292), and August 7, 1969 (P.L.223, No.89), is amended to read:

Section 1715. Reinstatement and Requirements for Credit for Previous Service.—(a) No county employe shall be permitted to withdraw his or her contributions as paid into the retirement fund upon transfer from one office, department or agency to another. Any person who has ceased to be a county employe and whose contributions as paid into the retirement fund, have been refunded by the board, if such person has been reemployed by the county or county institution district and desires to be given credit for previous service as a county employe, he or she shall, within two years of the effective date of [this act] *January 1, 1973*, make

payment in full of the amount refunded, with interest at the legal rate, the said interest to be computed from the date of the refund to the date of repayment. Upon application of the employe desiring to be given credit for previous service as a county employe at least sixty days prior to the expiration of the period of two years from the effective date **[of this act] above**, such employe shall be permitted to make payment in full of the amount refunded, with interest at the legal rate, within an additional period of one year. Both principal and interest shall be paid into the retirement fund at one time and in one amount, or, upon approval of the board, both principal and interest shall be consolidated into one amount and paid in twenty-four or less equal monthly installments, plus interest payment on monthly balances. Whenever the time for payment in full has been extended for an additional period of one year, the principal and interest may be paid in a total of not more than thirty-six equal monthly installments. Full payment thereof shall be a condition precedent to the county employe being eligible to receive the benefits of the retirement allowance **[plus a service increment, if any]**. Such county employe shall make monthly payments into the retirement fund in accordance with the provisions of section 1708.

If any person who hereafter becomes a county employe and thereafter ceases to be a county employe and his or her contributions as paid into the retirement fund are refunded by the board, is reemployed by the county or county institution district and he or she desires to be given credit for previous service as a county employe, he or she shall within two years of the date of reemployment, make payment in full of the amount refunded, with interest at the legal rate, the said interest to be computed from the date of refund to the date of repayment. Upon application of any person who hereafter becomes a county employe and desires to be given credit for previous service as a county employe, at least sixty days prior to completion of a period of two years from the date of reemployment, such employe shall be permitted to make payment in full of the amount refunded, with interest at the legal rate, within an additional period of one year. Both principal and interest shall be paid into the retirement fund at one time and in one amount, or, upon approval of the board both principal and interest shall be consolidated into one amount and paid in twenty-four or less equal monthly installments, plus interest payments on monthly balances. Whenever the time for payment in full has been extended for an additional period of one year the principal and interest may be paid in a total of not more than thirty-six equal monthly installments. Full payment thereof shall be a condition precedent to the county employe being eligible to receive the benefits of the retirement allowance **[plus a service increment, if any]**. Such county employe shall make monthly payments into the retirement fund in accordance with the provisions of section 1708. Any person who is a county employe on the effective date of this act may make payments into the retirement fund which shall cover

a period of time within which such person was a county employe but was not a member of the retirement system because such membership was not compulsory.

(b) Any person who has heretofore or who hereafter ceases to be a county employe and whose contributions as paid into the retirement fund, have heretofore or shall hereafter be refunded by the board, if such person is reemployed by the county or county institution district and desires to be given credit for previous service as a county employe, except as hereinafter provided, he or she shall within ~~[one year]~~ *two years* from the date of such reemployment make payment in full of the amount refunded, with interest at the legal rate, the said interest to be computed from the date of the refund to the date of repayment. Both principal and interest shall be paid into the retirement fund at one time and in one amount, or, upon approval of the board, both principal and interest shall be consolidated into one amount and paid in ~~[twelve]~~ *twenty-four* or less equal monthly installments, plus interest payment on monthly balances. Full payment thereof shall be a condition precedent to the county employe being eligible to receive the benefits of the retirement allowance ~~[plus a service increment, if any]~~. Such county employe shall make monthly payments into the retirement fund in accordance with the provisions of section 1708. No person reemployed as a county employe in accordance with the provisions of this subsection shall be eligible to receive a retirement allowance by reason of total and permanent physical disability, in accordance with the provisions of section 1711, unless he or she shall be in employ for a period of not less than twenty years, which said period of employment shall include credit given for previous service, as herein provided. No person who is ineligible to become a member of the retirement system shall be eligible to receive credit for previous service as a county employe, as hereinbefore provided.

(c) Any county employe who desires to be given credit for previous service in the employ of the county as an elected or appointed employe or official, where such service subsequent to the first day of January, ~~[one thousand nine hundred twenty-eight]~~ *one thousand nine hundred forty*, was rendered to the county at a time when such employe or official was not a member of the county employes' retirement system, shall, on or prior to ~~[August 31, 1970]~~ *January 1, 1975*, make application to the board, and upon approval thereof shall pay into the retirement fund a sum equal to twice the payment which such employe would have made had such person been a member thereof and had the payments been made in accordance with the provision of this article. In addition thereto, interest at the legal rate shall be paid from the date when the said monthly payment would have been made. Both principal and interest shall be paid into the retirement fund at one time and in one amount, or, upon approval of the board, both principal and interest shall be consolidated into one amount and paid in ~~[twelve or less equal monthly installments]~~ *twenty-four*

or less equal monthly installments, plus interest payment on monthly balances. Full payment thereof shall be a condition precedent to the county employe being eligible to receive the benefits of the retirement allowances. Such county employe shall make monthly payments into the retirement fund in accordance with the provisions of section 1708.

(d) Any person employed by any county correctional institution at the date such person became eligible for membership in the county employes' retirement system, who desires to be given credit for previous service in the employ of such institution when such employe was not eligible for membership, shall, on or prior to **[August 31, 1970] January 1, 1975**, make application to the board, and upon approval thereof shall pay into the retirement fund a sum equal to twice the payment which such employe would have made had such person been a member thereof and had the payments been made in accordance with the provisions of this article. In addition thereto, interest at the legal rate shall be paid from the date when the said monthly payment would have been made. Both principal and interest shall be paid into the retirement fund at one time and in one amount, or upon approval of the board, both principal and interest shall be consolidated into one amount and paid in **[twelve] twenty-four** or less equal monthly installments, plus interest payment on monthly balances. Full payment thereof shall be a condition precedent to the county employe being eligible to receive the benefits of the retirement allowances. Such county employe shall make monthly payment into the retirement fund in accordance with the provisions of section 1708.

(e) Any county employe who desires to be given credit for previous service in the employ of the county as an elected or appointed employe or official, where such service was ineligible service and was not permitted membership in the retirement system, shall on or before December 31, 1973 make application to the board, and upon approval thereof shall pay into the retirement fund a sum equal to the payment which such employe would have made in accordance with the provisions of this article. In addition, thereto, interest shall be paid at the rate of six per centum into the retirement fund at one time and in one amount, or, upon approval of the board, both principal and interest shall be consolidated into one amount and paid in full prior to January 1, 1974. Full payment thereof shall be a condition precedent to the county employe being eligible to receive the benefits of the retirement allowances. Such county employe shall make monthly payments into the retirement fund in accordance with the provisions of section 1708.

Section 3. The provisions of this amendatory act do not apply, and shall not be construed to apply to counties of the second class A.

Section 4. This act shall take effect immediately and be applicable to all persons retiring on or after January 1, 1973.

APPROVED—The 1st day of June, A. D. 1973.

MILTON J. SHAPP

The foregoing is a true and correct copy of Act of the General Assembly
No. 19.

A handwritten signature in black ink, reading "C. McLaughlin Tucker". The signature is written in a cursive style with a large initial "C" and a prominent flourish at the end.

Secretary of the Commonwealth.