

No. 153

AN ACT

SB 810

Amending the act of February 1, 1974 (P.L.34, No.15), entitled "An act creating a Pennsylvania Municipal Retirement System for the payment of retirement allowances to officers, employes, firemen and police of political subdivisions and municipal authorities and of institutions supported and maintained by political subdivisions and municipal government associations and providing for the administration of the same by a board composed of the State Treasurer and others appointed by the Governor; imposing certain duties on the Pennsylvania Municipal Retirement Board and the actuary thereof; providing the procedure whereby political subdivisions and municipal authorities may join such system, and imposing certain liabilities and obligations on such political subdivisions and municipal authorities in connection therewith, and as to certain existing retirement and pension systems, and upon officers, employes, firemen and police of such political subdivisions, institutions supported and maintained by political subdivisions, and upon municipal authorities; providing for the continuation of certain municipal retirement systems now administered by the Commonwealth; providing certain exemptions from taxation, execution, attachment, levy and sale and providing for the repeal of certain related acts," further defining final salary, providing for the use of excess interest for administrative costs in certain cases and increasing the amount of money a person temporarily reemployed may earn.

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

Section 1. The definition of "final salary" in section 102, section 112 and subsection (c) of section 207, act of February 1, 1974 (P.L.34, No.15), known as the "Pennsylvania Municipal Retirement Law," are amended to read:

Section 102. Definitions.—As used in this act:

* * *

"Final salary" means the average annual salary or compensation earned by a member and paid by the municipality during the **[last five years immediately preceding retirement] highest three, four, or five non-overlapping periods of twelve consecutive months as stipulated by the municipality**, or if not so long employed, then the average annual salary or compensation earned and paid during the whole period of such employment; or, if applicable, the amount or formula stipulated between the municipality and the board in a contract for an optional retirement plan entered into under the provisions of clause (11) of section 104 of this act.

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Section 112. Annual Estimates to Municipalities; Administrative Expenses.—The board shall prepare and submit to each municipality, on or before the first day of the fourth month preceding the commencing of each municipality's fiscal year, an itemized estimate of the amounts

necessary to be appropriated by the municipality to complete the payments of the obligations of the municipality to the fund during its next fiscal year.

The board shall annually prepare and approve a budget covering the administrative expenses of this act. Such expenses as approved by the board shall be paid from receipts from assessments made against each municipality for administrative expenses. This assessment shall be based on the number of members in each municipality and shall not exceed the sum of twenty dollars (\$20) per member per year. If, in the calendar years 1974, [and] 1975, *1976 and 1977*, the amount received from such assessments, when imposed at the maximum rate, is not sufficient to cover the administrative expenses, then the balance of such expenses shall be paid from interest earnings on the fund in excess of the regular interest credited to the municipal and member's accounts and shall not, in [either] any year, exceed one-half of one per cent of the total asset value of the fund as of the beginning of the calendar year.

Section 207. Withdrawal; Return to Service; Death in Service.—

* * *

(c) Should a person who has been retired on a retirement allowance under this act, return to employment on a regular full-time basis in the same municipality, his retirement allowance shall cease, and all his rights as they existed at the time of retirement shall be restored, and such person may by further service and further payroll deductions add to such rights on account of future retirement. For the purposes of this section if a person is reemployed on a temporary or seasonal basis and his gross post-retirement earnings from such reemployment during the calendar year are less than [two thousand one hundred dollars (\$2,100)] *two thousand five hundred twenty dollars (\$2,520)* or such other maximum as the board may establish, he shall not be deemed reemployed, but if and when his gross post-retirement earnings exceed [two thousand one hundred dollars (\$2,100)] *two thousand five hundred twenty dollars (\$2,520)* or such other maximum as the board may establish in any calendar year he shall not be entitled to receive his retirement allowance for that month or any subsequent month in the calendar year in which he continues in service. The municipality is required to notify the board immediately of the reemployment status of any retired former employe and file separate monthly reports of his gross earnings as prescribed by the board.

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Section 2. This act shall take effect immediately.

APPROVED—The 19th day of December, A. D. 1975.

MILTON J. SHAPP