

No. 1979-105

AN ACT

SB 271

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," providing for an annual actuarial valuation of the county employes' retirement system so that the board may increase or decrease monthly contributions; further providing for employes eligible for retirement allowances, and changing the date for credit for previous services.

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

Section 1. Subsection (a) of section 1708, act of July 28, 1953 (P.L.723, No.230), known as the "Second Class County Code," amended June 1, 1973 (P.L.37, No.19), is amended and the section is amended by adding a subsection to read:

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 two thousand dollars (\$2,000) or less. **[Said] Except as provided in subsection (d), the** monthly contribution shall be the percentage of his or her compensation as heretofore stated, on a graduated scale as follows:

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.

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(d) To aid and assist the board in maintaining the actuarial soundness of the retirement fund, the board shall cause to be performed an annual actuarial valuation of the retirement system. Notwithstanding the provisions of subsection (a), the board, guided by the annual actuarial valuation of the retirement system, shall have the authority, each year, to increase or decrease the said monthly contribution required to be made by each county employe into the retirement fund.

Section 2. Section 1710 of the act is amended by adding a subsection to read:

Section 1710. Employees Eligible for Retirement Allowances.—* * *

(i) Upon application to the board, all members of the fund who are contributors and who served in the Armed Forces of the United States subsequent to September 1, 1940, shall be entitled to have full military service credit for each of the most recent years of military service or fraction thereof, not to exceed three full years of such service; provided, they have a retirement credit of eight years or more and have reached the age of fifty years while employed or have accumulated a period of twenty years of retirement credit and under the age of fifty years. The formula to be followed for payment to the fund shall be in an amount equal to the maximum rate of contribution had they been members of the fund plus an additional amount as the equivalent of the county matching appropriation, plus interest at the rate of six per centum per year from the date of each year of credited military service to date of repayment or by applying the employe's basic contribution rate plus the county's normal contribution rate for active members at the time of entry, subsequent to such military service, of the employe into county service to his average annual rate of compensation over the first three years of such subsequent county service and multiplying the result by the number of years and fractional part of a year of creditable nonintervening military service being purchased, together with interest during all periods of subsequent county service to date of purchase. Should it be determined by the retirement board that verifiable compensation data is not available it shall have the discretion to determine which formula shall be used: Provided, That said member is not

entitled to receive, eligible to receive now or in the future, or is receiving retirement benefits for such service under a retirement system administered and wholly or partially paid for by any other governmental agency or private industry. Both principal and interest shall be consolidated into one amount and paid in twelve or less equal monthly installments. Full payment thereof shall be a condition precedent to receive the benefits of the retirement allowance. Only those employes who are active members of the retirement fund on the effective date of this act shall be permitted to avail themselves of either of these programs.

Those employes who became members of the retirement fund after the effective date of this act, upon application to the board, shall be entitled to have full military service credit for each of the most recent years of military service or fraction thereof, not to exceed three full years of such service: Provided, They have a retirement credit of eight years or more and have reached the age of fifty years while employed or have accumulated a period of twenty years of retirement credit and under the age of fifty years. Payment to the fund shall be in an amount equal to the maximum rate of contribution had they been members of the fund plus an additional amount as the equivalent of the county matching appropriation, plus interest at the rate of six per centum per year from the date of each year of credited military service to date of repayment: Provided, That said member is not entitled to receive, eligible to receive now or in the future, or is receiving retirement benefits for such service under a retirement system administered and wholly or partially paid for by any other governmental agency or private industry. Both principal and interest shall be consolidated into one amount and paid in twelve or less equal monthly installments. Full payment thereof shall be a condition precedent to receive the benefits of the retirement allowance.

Section 3. The first paragraph of subsection (a) of section 1715 of the act, amended June 29, 1976 (P.L.461, No.116), 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 [January 1, 1975] June 1, 1979, 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 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.

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Section 4. This act shall take effect immediately.

APPROVED—The 11th day of December, A. D. 1979.

DICK THORNBURGH