

No. 1984-131

## AN ACT

HB 1451

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 that a county of the second class may make pickup contributions to the retirement system on behalf of county employees; and further providing for tax levies.

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

Section 1. Section 1701 of the 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), June 1, 1973 (P.L.37, No.19), June 29, 1976 (P.L.461, No.116) and March 27, 1980 (P.L.56, No.21), is amended to read:

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

"Board," county employes' retirement board.

"Compensation," *pickup contributions plus* salary or wages received per day, weekly, bi-weekly, semi-monthly, monthly, annually, or during an official term year.

"Contributions," *pickup contributions and the* amount paid into the retirement fund.

"County employe," any person employed by the county, including all elected or appointed county officers, and agricultural extension association, county institutions district, county prison, any county correctional institution, law library and county retirement board, employes whose compensation is paid out of county funds, except employes employed by any board of trustees of a community college of which the county is a local sponsor pursuant to the act of August 24, 1963 (P.L.1132, No.484), known as the "Community College Act of 1963," as amended, county institution district funds or county retirement system funds or any department created by the office of the county commissioners, and any person receiving compensation for accidental injuries in accordance with the provisions of The Pennsylvania Workmen's Compensation Act: Provided, That the injured county employe during the period of his or her disability shall pay each month a sum equal to the last monthly contribution paid into the retirement fund when said county employe was in employment and shall not include any participant in on-the-job training, work experience or public service employment whose employment with the county is funded in whole or in part by the Federal "Comprehensive Employment and Training Act," as amended, unless the retirement board has provided for the membership of such participants in accordance with the provisions of section 1710.1. It shall not include any time spent by a county employe on furlough or leave of absence without compensation, a person reemployed as a county employe 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, except such county employes who may be in active military service in accordance with the provisions of subsection (d) of section 1710 and former county employes whose monthly contributions are paid into the retirement fund in accordance with the provisions of section 1713. In all cases of doubt the board shall determine who is an employe within the meaning of this article.

“Monthly,” calendar month.

“Per Annum,” twelve calendar months.

*“Pickup contributions,” regular contributions which are made by the county on behalf of county employes for current service in accordance with subsection (a.1) of section 1708.*

“Reemployed,” any former county employe who is reemployed as such, shall thereupon assume the status of a new or future county employe and may, if eligible, receive credit for previous service in accordance with the provisions of subsection (b) of section 1715. It shall not include any person reemployed 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, nor any county employe who may be in active military service in accordance with the provisions of subsection (d) of section 1710.

“Retirement Allowance,” the amount to which a county employe is eligible to receive upon retirement from active service not including the amount he or she is eligible to receive as a service increment.

“Retirement fund or system,” fund or system created by this article.

“Vested Interest,” future county employes 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, who have fulfilled all conditions required to qualify such county employes 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.

“Year or service year,” twelve calendar months including an official term year beginning the first Monday of January of a given year to the first Monday of January of the year following or twenty-six pay periods if payment is made bi-weekly.

“Survivor’s Benefit Allowance,” a portion of a retirement allowance, plus a service increment, if any, to be paid to a surviving spouse of a deceased county employe.

“Early Retirement,” reduced retirement benefits at age fifty-five with completion of eight years of service depending upon the service requirements for normal retirement.

“Interest,” a determined rate, payable upon refund of contributions, compounded annually.

“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.

Section 2. The heading of section 1708 is amended and a subsection is added to read:

Section 1708. Compulsory Membership; **[Employees Payment] Payments** Into Fund; Exceptions; Vested Interest.—\*\*\*

*(a.1) The county may elect to contribute on behalf of each active member for current service the amount required by subsection (a) beginning the first Monday of January of the year in which the resolution to do so was adopted by the commissioners. Contributions made in accordance with this subsection shall be deemed pickup contributions and shall be treated as the county's contribution in determining tax treatment under the act of August 16, 1954, 68A Stat. 5, known as the Internal Revenue Code of 1954, for Federal tax purposes. For all other purposes pickup contributions shall be made and treated as contributions made by a member in the same manner and to the same extent as contributions made prior to the implementation of this subsection. The county on or before January 31 of each year shall, at the time when the income and withholding information required by law is furnished to each county employe, also furnish the amount of the pickup contribution made on the employe's behalf. Upon the effective date of the implementation of this subsection, the county shall pick up the required contributions by an equal reduction in the compensation of the member.*

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Section 3. Section 1970 of the act, amended May 22, 1981 (P.L.76, No.24), is amended to read:

Section 1970. Tax Levies.—No tax shall be levied on personal property taxable for county purposes where the rate of taxation thereon is fixed by law other than at the rate so fixed. The county commissioners shall fix, by resolution, the rate of taxation for each year. The tax levied shall be for the purpose of creating a general fund to pay expenses incurred for general county purposes, for the payment of the matters connected with roads provided for in subsection (g) of section 2901 hereof, for the payment of the matters connected with parks and related matters provided for in sections 3007 and 3035 hereof, **and for the payment of expenses connected with the operation of a community college as provided by law**. No such tax in any county of the second class, shall in any one year exceed the rate of twenty mills on every dollar of the adjusted valuation: Provided, however, That the rate of taxation for payment of interest and principal on any indebtedness incurred pursuant to the act of July 12, 1972 (P.L.781, No.185), known as the "Local Government Unit Debt Act," or any prior or subsequent act governing the incurrence of indebtedness of the county shall be unlimited. No tax for general county purposes in any county of the second class A shall in any one year exceed the rate of thirty mills on every dollar of the adjusted valuation: Provided, however, That the rate of taxation for payment of interest and principal on any indebtedness incurred pursuant to the act of July 12, 1972 (P.L.781, No.185), known as the "Local Government Unit Debt Act," or any prior or subsequent act governing the incurrence of indebtedness of the county shall be unlimited. In fixing the rate of taxation, the county commissioners if the rate is fixed in mills, shall also include in the

resolution a statement expressing the rate of taxation in dollars and cents on each one hundred dollars of assessed valuation of taxable property.

Section 4. This act shall take effect immediately and sections 1 and 2 shall be retroactive to January 1, 1984.

APPROVED—The 6th day of July, A. D. 1984.

DICK THORNBURGH