

No. 1984-6

AN ACT

SB 808

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 the definition of "early retirement"; further providing for eligibility for retirement allowances; further providing for survivorship option benefits; and further providing for credit for previous service.

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

Section 1. The definition of "early retirement" in section 1701 of the 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 to read:

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

* * *

"Early Retirement," reduced retirement benefits at age fifty-five with completion of **[eight] the minimum number of** years of service *specified in subsection (a) of section 1710* depending upon the service requirements for normal retirement.

* * *

Section 2. Section 1710(a), (b), (h) and (i) of the act, (a) and (h) amended June 1, 1973 (P.L.37, No.19), (b) amended December 30, 1974 (P.L.1154, No.367) and (i) added December 11, 1979 (P.L.494, No.105), are amended to read:

Section 1710. Employees 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 eight years but less than twenty years]** *Every county employe who was initially hired on or prior to the effective date of this amendatory act, who has reached the age of sixty years or upwards and who has to his or her credit a period of service of eight years, but less than twenty years, or every county employe who was hired after the effective date of this amendatory act, who has reached the age of sixty-five years or upwards and who has to his or her credit a period of service of ten 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 allow-

ance 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.

(b) [Every present or future county employe, other than a member of the police force or the fire department or a fire inspector, who has reached the age of sixty years or upwards and who shall have been a county employe during a period of twenty or more years, and every county employe who is a member of the police force or the fire department or a fire inspector, and who shall have been a county employe during a period of twenty or more years and has reached the age of fifty years or upward,] *Every county employe, other than a member of the police force or the fire department or a fire inspector, who was initially hired on or prior to the effective date of this amendatory act, who has reached the age of sixty years or upwards and who has to his or her credit a period of service of eight years, but less than twenty years, or every county employe, other than a member of the police or the fire department or a fire inspector, who was hired after the effective date of this amendatory act, who has reached the age of sixty-five years or upwards, and who has to his or her credit a period of service of ten years, but less than twenty years, and every county employe who is a member of the police force or the fire department or a fire inspector, and who shall have been a county employe during a period of twenty or more years and has reached the age of fifty years or upwards shall, upon application to the board, be retired from service, and shall thereafter receive, during life, except as hereinafter provided, a retirement allowance plus a service increment if any, in accordance with the provisions of section 1712. The time spent in the employ of the county or county institution district need not necessarily have been continuous: Provided, That when any county employe has twenty or more years service, not necessarily continuous, and has reached the age of fifty years or upwards, and 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, upon application to the board he or she shall thereafter receive, during life, except as hereinafter provided, a retirement allowance plus a service increment if any, in accordance with the provisions of section 1712. The aforesaid retirement allowance plus a service increment if any, 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 years of age but less than sixty *or sixty-five, whichever is applicable*, and who has to his or her credit a period of [eight years] *at least the minimum number of years of service specified in subsection (a) of this section* but less than twenty years of service, shall upon application to the board be eligible to receive at age sixty *or sixty-five years, whichever is applicable*, 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 years of age but less than sixty *or sixty-five, whichever is applicable*, and who has to his or her credit a period of **[eight years]** *the minimum number of years of service specified in subsection (a) of this section* 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 *or sixty-five years, whichever is applicable*. 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.

(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]** *the minimum number of years specified in subsection (a) of this section* 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 employees 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 employees 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]** *the minimum number of years specified in subsection (a) of this section* 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. Section 1712(f) of the act, amended June 29, 1976 (P.L.461, No.116), is amended to read:

Section 1712. Amount of Retirement Allowances.—* * *

(f) The election by said county employe of the option as provided in subsection (e) of this section shall be final on attainment of age fifty or on later election prior to retirement, and no further election shall be permitted: Provided, That the election shall automatically be cancelled if the county employe shall either be divorced or if his or her spouse shall die, in each case before retirement benefits under the option shall commence. In the event the designated spouse shall predecease, or if a legal separation occurs, while on retirement, the reduced retirement option benefit shall be reinstated to the full amount had there been no option exercised. Said reinstated amount to commence immediately upon the death of the spouse so designated or upon satisfactory proof of legal separation.

All present and future employes may elect to provide survivorship option benefits for a spouse in the following classifications if the following conditions are satisfied:

Class I. The deceased employe shall have attained the age of fifty years and had completed **[eight to]** *between the minimum number of years of service specified in subsection (a) of section 1710* and nineteen years of service and dies before reaching the age of fifty-five years. The reduced retirement option benefit to commence to the survivor at the time the

deceased employe would have attained the age of fifty-five years. Said benefits to be paid in accordance with the provisions set forth under subsection (d), Option II, of section 1713.

Class II. All present and future employes, who after completion of twenty or more years of service and shall die before reaching the age of fifty years, his or her spouse shall be eligible to receive the reduced retirement option immediately, in accordance with the provisions set forth under subsection (d), Option II of section 1713.

* * *

Section 4. Section 1715 of the act, amended June 29, 1976 (P.L.461, No.116) and December 11, 1979 (P.L.494, No.105), 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 **[June 1, 1979] January 1, 1984**, 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.

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 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 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 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 **[January 1, 1977] January 1, 1986**, 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 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 **[January 1, 1976] January 1, 1986**, 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 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 5. This act shall take effect in 60 days.

APPROVED—The 9th day of February, A. D. 1984.

DICK THORNBURGH