

No. 1986-182

AN ACT

SB 1467

Amending the act of January 5, 1952 (1951 P.L.1833, No.491), entitled, as reenacted and amended, "An act to provide for the coverage of certain officers and employes of the Commonwealth and its political subdivisions under the old-age and survivor insurance provisions of Title II of the Federal Social Security Act, as amended; creating the State Agency and conferring powers and imposing duties upon the State Agency; authorizing the State Agency to enter into agreements with the Federal Secretary of Health, Education and Welfare and with political subdivisions or instrumentalities thereof under certain terms and conditions; providing for the Commonwealth's contribution under agreements with the Federal Secretary of Health, Education and Welfare and for the collection and payment of employer and employe contributions; authorizing interstate cooperation in certain cases, creating a Contribution Fund; and making appropriations," further providing for the payment of funds into and out of the Contribution Fund.

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

Section 1. Sections 5, 6(c) and 7(b) and (c) of the act of January 5, 1952 (1951 P.L.1833, No.491), entitled, as reenacted and amended, "An act to provide for the coverage of certain officers and employes of the Commonwealth and its political subdivisions under the old-age and survivor insurance provisions of Title II of the Federal Social Security Act, as amended; creating the State Agency and conferring powers and imposing duties upon the State Agency; authorizing the State Agency to enter into agreements with the Federal Secretary of Health, Education and Welfare and with political subdivisions or instrumentalities thereof under certain terms and conditions; providing for the Commonwealth's contribution under agreements with the Federal Secretary of Health, Education and Welfare and for the collection and payment of employer and employe contributions; authorizing interstate cooperation in certain cases, creating a Contribution Fund; and making appropriations," reenacted and amended June 1, 1956 (1955 P.L.1973, No.662), are amended to read:

Section 5. Contributions by State Employes.—(a) Every employe of the Commonwealth, whose services are covered by an agreement entered into under section four, shall be required to pay for the period of such coverage, into the Contribution Fund established by section seven, *or other restricted receipt account established for such purpose*, contributions, with respect to wages (as defined in section two of this act), not in excess of the amounts prescribed under the provisions of the Federal Insurance Contribution Act. The actual amount of the contributions to be made under the provisions of this paragraph shall be the amount necessary to carry out the provisions of this act and the agreement entered into in accordance therewith, which amounts shall, from time to time, be determined by the State Agency, subject to the limitations herein prescribed; each liability shall arise in consideration of the

employes retention in the service of the Commonwealth, or his entry upon such service after the enactment of this act.

(b) The head of each department shall cause to be deducted on each and every pay-roll of an employe, for each and every pay-roll period subsequent to the effective date of an agreement entered into under this act, such percentage of the total amount of wages earnable by the employe in such pay-roll period required to satisfy the contribution imposed by clause (a) of this section, and shall certify to the Treasurer of the Commonwealth on account of each and every pay-roll of an employe a statement as voucher for the amounts to be deducted, but failure to make such deductions shall not relieve the employe from the liability for such contribution.

(b.1) The State Treasurer, on receipt from the heads of the departments, of the vouchers for deductions from the wages of employes provided for in clause (b) of this section, shall make such deductions and shall pay each of the amounts so deducted into the contribution fund established by section 7 of this act *or such restricted receipt account as may be established for this purpose.*

(b.2) The Treasurer or paying officer, on receipt from the heads of the departments of the vouchers for deductions from the wages of employes provided for in clause (b) of this section, shall make such deductions and shall pay each of the amounts so deducted into the contribution fund established by section 7 of this act *or such restricted receipt account as may be established for this purpose.*

(c) If more or less than the correct amount of the contribution imposed by this section is paid or deducted with respect to any remuneration, proper adjustments or refund, if adjustment is impracticable, shall be made without interest in such manner and at such times as the State Agency shall prescribe.

Section 6. Plans for Coverage of Employes of Political Subdivisions.—*
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(c) (1) Each political subdivision or instrumentality thereof as to which a plan has been approved under this section shall pay **[into the Contribution Fund, with respect to wages (as defined in section two of this act), at such time or times as the State Agency may by regulation prescribe, contributions in the amounts and at the rates specified in the applicable agreement entered into by the State Agency under section four]** *the established social security percentage at the prescribed time or times to the designated agent as required by the Federal Government.*

(2) Each political subdivision or instrumentality thereof required to make payments under clause (1) of this subsection is authorized, in consideration of the employe's retention in or entry upon employment after enactment of this act, to impose upon each of its employes, as to services which are covered by an approved plan, a contribution with respect to his wages (as defined in section two of this act), not exceeding the amount of contributions by Commonwealth employes, as provided in subsection (a) of section five of this act, and to deduct the amount of such contribution from his wages as and when paid. Contributions so collected shall be paid **[into the Contribution Fund in partial discharge of the liability of such political subdivision or**

instrumentality thereof under clause (1) of this subsection. Failure to deduct such contribution shall not relieve the employe or employer of liability therefor] as designated by the Federal Government.

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Section 7. Contribution Fund.—* * *

(b) The Contribution Fund shall be established and held separate and apart from any other funds or moneys of the Commonwealth, and shall be used and administered exclusively for the purpose of this act. Withdrawals from such fund shall be made for and solely for payment of amounts required to be paid to the Federal Agency pursuant to an agreement entered into under section four, payment of refunds provided for in section five (c) of this act, and refunds of overpayments, not otherwise adjustable, made by a political subdivision. *Withdrawals may also be made for the payment to school entities of the Commonwealth's portion of the employer's liability for covered employes.*

(c) From the Contribution Fund the State Treasurer, upon warrant of the State Agency, shall pay to the Federal Agency such amounts and at such time or times as may be directed by the State Agency, in accordance with any agreement entered into under section four and the Social Security Act. *The State Treasurer is also authorized to make payments to school entities from the Contribution Fund on warrant of the Department of Education for the Commonwealth's portion of the employer's liability for covered employes. The State Treasurer shall make prompt payment to school entities of the Commonwealth's portion of the employer's liability for covered employes to insure that school entities are not required to advance their own funds to cover the Commonwealth's portion of the employer's liability when the school entities make their payments to the Federal Government.*

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Section 2. This act shall take effect immediately.

APPROVED—The 15th day of December, A. D. 1986.

DICK THORNBURGH