

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 471

Session of 1973

INTRODUCED BY REIBMAN, STAUFFER, SCALES, EWING AND MURPHY, MARCH 12, 1973

SENATOR MURPHY, LOCAL GOVERNMENT, AS AMENDED, JUNE 26, 1973

AN ACT

1 Creating a Pennsylvania Municipal Retirement System for the
2 payment of retirement allowances to officers, employes,
3 firemen and police of political subdivisions and municipal
4 authorities and of institutions supported and maintained by
5 political subdivisions AND MUNICIPAL GOVERNMENT ASSOCIATIONS
6 and providing for the administration of the same by a board
7 composed of the State Treasurer and others appointed by the
8 Governor; imposing certain duties on the Pennsylvania
9 Municipal Retirement Board and the actuary thereof; providing
10 the procedure whereby political subdivisions and municipal
11 authorities may join such system, and imposing certain
12 liabilities and obligations on such political subdivisions
13 and municipal authorities in connection therewith, and as to
14 certain existing retirement and pension systems, and upon
15 officers, employes, firemen and police of such political
16 subdivisions, institutions supported and maintained by
17 political subdivisions, and upon municipal authorities;
18 providing for the continuation of certain municipal
19 retirement systems now administered by the Commonwealth;
20 providing certain exemptions from taxation, execution,
21 attachment, levy and sale and providing for the repeal of
22 certain related acts.

<—

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

ARTICLE I

GENERAL PROVISIONS

27 Section 101. This act shall be known and may be cited as the
28 "Pennsylvania Municipal Retirement Law."

1 Section 102. Definitions.--As used in this act:

2 "Accumulated deductions" means the total amount deducted from  
3 the salary or compensation of the contributor and paid over by  
4 the municipality or paid by the member or from any existing  
5 pension or retirement system directly into the retirement fund  
6 and credited to the member's account, together with regular  
7 interest thereon, unless interest is excluded in a contract for  
8 an optional retirement plan entered into under the provisions of  
9 clause (11) of section 104 of this act.

10 "Actuarially sound" means a plan which is being operated  
11 under supervision of an actuary and which is being funded  
12 annually at a level not lower than the normal cost of the plan  
13 plus a contribution towards the unfunded accrued liability  
14 sufficient to complete the funding thereof within thirty years  
15 of the effective date of the system. If the unfunded accrued  
16 liability is increased subsequent to the effective date of the  
17 system, such additional liability shall be funded within a  
18 period of thirty years from the effective date of the increase.

19 "Actuary" means: (i) a member of the American Academy of  
20 Actuaries, or (ii) an individual who has demonstrated to the  
21 satisfaction of the Insurance Commissioner of Pennsylvania that  
22 he had the educational background necessary for the practice of  
23 actuarial science and has had at least seven years of actuarial  
24 experience, or (iii) a firm, partnership or corporation of which  
25 one or more members meets the requirements of subclauses (i) or  
26 (ii) above.

27 "Annuitant" means a former contributor in receipt of a  
28 superannuation retirement allowance or other benefit provided by  
29 this act.

30 "Beneficiary" means a person designated by a contributor or

1 an annuitant to receive benefits after the death of such  
2 contributor or annuitant.

3 "Board" means the Pennsylvania Municipal Retirement Board  
4 created by this act.

5 "Contributor" means a member who has accumulated deductions  
6 standing to his credit in the member's account of the fund  
7 created by this act.

8 "Equivalent actuarial value" means benefits which have equal  
9 present value when computed on the basis of regular interest and  
10 the mortality tables adopted by the board and in use at the date  
11 the benefit becomes effective.

12 "Final salary" means the average annual salary or  
13 compensation earned by a member and paid by the municipality  
14 during the last five years immediately preceding retirement, or  
15 if not so long employed, then the average annual salary or  
16 compensation earned and paid during the whole period of such  
17 employment; or, if applicable, the amount or formula stipulated  
18 between the municipality and the board in a contract for an  
19 optional retirement plan entered into under the provisions of  
20 clause (11) of section 104 of this act.

21 "Fund" means the Pennsylvania Municipal Retirement Fund  
22 created by this act.

23 "Joint coverage member" means a member who shall have become  
24 a member of the retirement system subsequent to the last date  
25 permitted by the municipality employing him for statement of  
26 preference concerning social security coverage, or who, having  
27 become a member on or before such date, shall have filed with  
28 the municipality a written statement that he elects social  
29 security coverage under an agreement with the Federal Secretary  
30 of Health, Education and Welfare entered into by the

1 Commonwealth.

2 "Member" means a municipal officer, employe, fireman or  
3 policeman, OR AN EMPLOYE OF A MUNICIPAL GOVERNMENT ASSOCIATION ←  
4 who has become a member of the Pennsylvania Municipal Retirement  
5 System created by this act.

6 "Member's account" means the account to which shall be  
7 credited the payroll deductions and other contributions, plus  
8 interest, if any, of the members.

9 "Member's annuity" means that portion or component of the  
10 retirement allowance which is of equivalent actuarial value, at  
11 date of retirement, to the accumulated deductions of the member.

12 "Municipal account" means the account maintained for each  
13 municipality, to which shall be credited the contributions made  
14 by it toward the superannuation retirement and death benefits of  
15 members.

16 "Municipal annuity" means that portion or component of the  
17 retirement allowance computed in accordance with the formula  
18 applicable to each municipality.

19 "Municipal employe" means a person holding an office or  
20 position, other than that of a municipal fireman or municipal  
21 policeman, under a municipality OR A MUNICIPAL GOVERNMENT ←  
22 ASSOCIATION and paid on a regular salary or per diem basis. The  
23 term shall not include officers and employes paid wholly on a  
24 fee basis.

25 "Municipal fireman" means a person holding a full-time  
26 position in the fire department of a municipality and who works  
27 for a stated salary or compensation.

28 "Municipal policeman" means a person holding a full-time  
29 position in the police department of a municipality and who  
30 works for a stated salary or compensation.

1 "Municipality" means a city, borough, town, township, county,  
2 institution district, or any newly created governmental unit, or  
3 an authority created by a city, borough, town, township, county  
4 or county institution district, or jointly by any such political  
5 subdivisions, or an institution supported and maintained by a  
6 municipality OR A MUNICIPAL GOVERNMENT ASSOCIATION, or an ←  
7 industrial development agency as defined by the act of May 31,  
8 1956 (P.L.1911, No.635), known as the "Industrial Development  
9 Assistance Law," which has adopted bylaws and the governing body  
10 of which is organized and holds regular public meetings.

11 "New member" means a municipal officer, employe, fireman or  
12 policeman, OR AN EMPLOYE OF A MUNICIPAL GOVERNMENT ASSOCIATION ←  
13 who first becomes a member after the date the municipality by  
14 which he is employed joined the retirement system created by  
15 this act.

16 "Original member" means a municipal officer, employe, fireman  
17 or policeman, OR AN EMPLOYE OF A MUNICIPAL GOVERNMENT ←  
18 ASSOCIATION who was employed by the municipality at the date the  
19 municipality joined the system.

20 "Prior salary" means the annual salary or compensation earned  
21 by a member and paid by the municipality during the year  
22 immediately preceding the date the municipality by which he is  
23 employed joined the system.

24 "Prior service" means all service as a municipal employe,  
25 municipal fireman or municipal policeman completed at the time  
26 the municipality by which he is or was employed elected to join  
27 the system or the same municipality under a prior name or  
28 classification, unless the municipality has elected to limit the  
29 period of such service for municipal employes enrolled in a plan  
30 under Article II or Article IV of this act.

1 "Regular interest" means the rate fixed by the board, from  
2 time to time, on the basis of earnings on investments.

3 "Retired member's reserve account" means the account from  
4 which all retirement allowances shall be paid for superannuation  
5 and total disability retirement and voluntary and involuntary  
6 withdrawals.

7 "Retirement allowance" means the sum of the municipal annuity  
8 and the member's annuity and, if the member is entitled to a  
9 disability annuity under the provisions of this act, the  
10 disability annuity.

11 "Service connected disability" means total and permanent  
12 disability of a member prior to eligibility for superannuation  
13 retirement resulting from a condition arising out of and  
14 incurred in the course of his employment, and which is  
15 compensable under the applicable provisions of the act of June  
16 2, 1915 (P.L.736, No.338), known as "The Pennsylvania Workmen's  
17 Compensation Act," or the act of June 21, 1939 (P.L.566,  
18 No.284), known as "The Pennsylvania Occupational Disease Act."

19 "Single coverage member" means a member who shall become a  
20 member of the retirement system on or before the last date  
21 permitted by the municipality employing him for statement of  
22 preference concerning social security coverage and who either  
23 shall have filed with the municipality a written statement that  
24 he does not elect social security coverage under any agreement  
25 with the Federal Secretary of Health, Education and Welfare  
26 entered into by the Commonwealth, or shall not have filed with  
27 the municipality any written statement.

28 "Superannuation retirement age" means sixty-five years of age  
29 for municipal employes, fifty-five years of age for municipal  
30 firemen and municipal police or such other age as may be

1 stipulated between the municipality and the board in a contract  
2 for an optional retirement plan entered into under the  
3 provisions of clause (11) of section 104 of this act.

4 "Survivor annuitant" means any person who has been named by a  
5 member under a joint and survivor annuity option to receive an  
6 annuity upon the death of such member.

7 "System" means the Pennsylvania Municipal Retirement System  
8 as established herein.

9 "Total disability reserve account" means the account to which  
10 shall be credited the contributions made by municipalities  
11 toward the disability retirement of members.

12 Section 103. Pennsylvania Municipal Retirement Board.--A  
13 Pennsylvania Municipal Retirement Board is hereby created, which  
14 shall consist of the State Treasurer, ~~four~~ SIX municipal <—  
15 employes employed by different classes of municipalities which  
16 have joined the system, one municipal fireman employed by a  
17 municipality which has joined the system and one municipal  
18 policeman employed by a municipality which has joined the  
19 system. The ~~six~~ EIGHT latter members shall be appointed by the <—  
20 Governor from among nominations made by various associations of  
21 county and municipal taxing officials and associations  
22 representing municipal firemen and municipal police, to serve  
23 for a term of four years each and until their successors are  
24 appointed and qualified. Appointments of members made by the  
25 Governor shall not require the advice and consent of the Senate.  
26 The two municipal employe members of the Municipal Employes'  
27 Retirement Board, appointed by the Governor from among  
28 nominations made by various associations of county and municipal  
29 taxing officials, who are serving on the effective date of this  
30 act, shall continue to serve as members of the Pennsylvania

1 Municipal Retirement Board until the expiration of their  
2 respective terms.

3 A chairman and vice chairman of the board shall be elected by  
4 the board every four years.

5 Vacancies happening from among members appointed from among  
6 the nominations made by the associations shall be filled by the  
7 appointment of a successor for a full term of four years.

8 No appointed member shall serve more than two consecutive  
9 full terms.

10 Each member of the board shall take an oath of office that he  
11 will diligently and honestly administer the affairs of the  
12 board, and that he will not knowingly violate or wilfully permit  
13 to be violated any of the provisions of this act.

14 A quorum of the board shall consist of ~~four~~ FIVE members. ←

15 Section 104. General Powers of the Board.--The board shall:

16 (1) Appoint a secretary who shall appoint the clerical and  
17 other employes of the board, whose positions, including the  
18 secretary's, shall be under the classified service provisions of  
19 the act of August 5, 1941 (P.L.752, No.286), as amended and the  
20 secretary shall fill future vacancies in accordance with such  
21 provisions. The compensation of all persons so appointed shall  
22 be fixed by the board and shall be consistent with the standards  
23 established by the Executive Board of this Commonwealth;

24 (2) Contract for professional services, including but not  
25 limited to actuarial, investment and medical as it deems  
26 advisable;

27 (3) Keep in convenient form such data as shall be deemed  
28 necessary for actuarial valuation purposes;

29 (4) From time to time, through its actuary, make an  
30 actuarial investigation into the mortality and service



1 experience of the contributors and annuitants and of the various  
2 accounts created by this act;

3 (5) Adopt for the system one or more mortality tables and  
4 such other tables as shall be deemed necessary;

5 (6) Certify the rates of deduction from salary necessary to  
6 pay the member's annuities;

7 (7) Certify annually the amount of appropriation which each  
8 municipality shall pay into the retirement fund, which amounts  
9 shall be based on estimates furnished by the actuary, and shall  
10 be credited to the municipal account of the fund;

11 (8) Prepare and publish annually a financial statement  
12 showing the condition of the fund and the various accounts  
13 thereof, and setting forth such other facts, recommendations and  
14 data as may be of use in the advancement of knowledge concerning  
15 the Pennsylvania Municipal Retirement System, and furnish a copy  
16 thereof to each municipality which has joined the system, and to  
17 such persons as may request copies thereof;

18 (9) Keep a record of all its proceedings, which will be open  
19 to inspection by the public;

20 (10) From time to time, with the advice of the Attorney  
21 General and the actuary, adopt and promulgate such rules and  
22 regulations as may be required for the proper administration of  
23 the fund created by this act and the several accounts thereof,  
24 and for the transaction of the business of the board;

25 (11) Be authorized to approve any optional retirement plan  
26 for municipal employes, municipal firemen or municipal police,  
27 with any municipality as long as it is actuarially sound and  
28 benefits under the plan are not in excess of or member's minimum  
29 contribution rates are not less than those provided in other  
30 existing retirement laws pertaining to that class of

1 municipality;

2 (12) Perform such other functions as are required for the  
3 execution of the provisions of this act.

4 Section 105. Preliminary Actuarial Investigation Tables and  
5 Rates.--As soon as may be after the passage of this act, the  
6 actuary shall make an investigation of the mortality, service  
7 and salary experience of municipal employes, municipal firemen  
8 and municipal police as he shall deem necessary, for the purpose  
9 of determining upon tentative tables and municipal  
10 contributions. On the basis of such investigation and  
11 recommendation, the board shall adopt such tentative tables and  
12 certify such tentative rates for the purpose of giving  
13 municipalities and municipal employes, municipal firemen and  
14 municipal police estimates of the cost involved in electing to  
15 join the retirement system established by this act. Such tables  
16 may thereafter be accepted or changed by the board, as  
17 experience may require.

18 Section 106. Information to Municipalities.--The board  
19 shall, with the aid of its actuary, prepare a circular of  
20 information relative to the system, showing estimates of the  
21 costs thereof to municipalities and members, including costs of  
22 administration, the benefits to be derived therefrom, the  
23 methods of administration by the board and the municipality, and  
24 such other information as may be deemed appropriate. Such  
25 circular of information shall be furnished to municipalities  
26 upon request.

27 Section 107. Election by Municipalities to Join Retirement  
28 System.--Any municipality may elect, by ordinance or resolution  
29 adopted by the tax levying body, or in the case of municipal  
30 authorities by the board of such municipal authority to join the

1 system: Provided, however, That any municipality electing  
2 coverage under the provisions of Article II of this act must  
3 have first placed its municipal employes in so far as they are  
4 eligible under the Federal Social Security Act. In the case of  
5 townships of the second class, no resolution shall be adopted,  
6 except by unanimous vote of all three supervisors.

7 Any municipality, by action of its tax levying body, may and  
8 upon petition of electors equal to at least five per cent of the  
9 registered electors of the municipality, shall, submit the  
10 question of joining such system to the voters of the  
11 municipality at any municipal or general election, in the same  
12 manner as other questions are submitted to the electors under  
13 the election code of the Commonwealth. If the majority of the  
14 electors voting on the question vote in favor thereof, the tax  
15 levying body shall adopt an ordinance or resolution electing to  
16 join such system. If the electors vote against joining the  
17 system, then no further action shall be taken in the  
18 municipality for a period of two years.

19 A duly certified copy of any such ordinance or resolution  
20 electing to join the system shall be filed with the board.

21 Section 108. Retirement Funds and Accounts.--The  
22 Pennsylvania Municipal Retirement Fund shall consist of the  
23 money received from municipalities arising from contributions by  
24 municipalities, and from payroll deductions from salary or  
25 compensation of members, and other contributions made by members  
26 through the municipality to the system, from transfers made from  
27 municipal retirement or pension systems and credited as provided  
28 in this act, and investment earnings thereon.

29 Contributions made by municipalities toward superannuation  
30 retirement and death benefits of members shall be credited to

1 the municipal account of said fund, contributions made by  
2 municipalities toward disability retirement of members shall be  
3 credited to the total disability reserve account of said fund,  
4 and payroll deductions and other contributions of members shall  
5 be credited to the member's account of said fund. Transfers made  
6 from existing municipal retirement or pension systems shall be  
7 credited as provided in this act.

8 The board shall keep separate accounts of each municipality  
9 and for each separate class of employes enrolled by that  
10 municipality under the several articles of this act, except the  
11 total disability reserve account and the retired member's  
12 reserve account which shall be maintained as pooled accounts.  
13 Each municipality and the members thereof shall be liable to the  
14 board for the amount of contributions required to cover the cost  
15 of the retirement allowance and other benefits payable to such  
16 members.

17 Upon the granting of a superannuation or voluntary or  
18 involuntary withdrawal retirement allowance to any contributor,  
19 the amount of such contributor's accumulated deductions in the  
20 member's account shall lose their status as accumulated  
21 deductions and shall be transferred to the retired member's  
22 reserve account and the actuarial equivalent of the municipal  
23 annuity shall be similarly transferred from the municipal  
24 account to the retired member's reserve account.

25 Upon the granting of a disability retirement allowance to any  
26 contributor, there shall be transferred to the retired member's  
27 reserve account the amount of the contributor's accumulated  
28 deductions in the member's account, the amount of the equivalent  
29 actuarial value to the municipal annuity, and such additional  
30 amount from the total disability reserve account as is needed in

1 addition thereto to provide the actuarial equivalent of the  
2 total disability allowance to which the contributor is entitled.

3 Section 109. Custody of and Payments from Fund.--All moneys  
4 and securities in the fund shall be placed in the custody of the  
5 State Treasurer for safekeeping, and all payments on account of  
6 retirement allowances shall be made on requisition signed by the  
7 chairman and secretary of the board.

8 Section 110. Management and Investment of Fund; Interest  
9 Credits.--The members of the board shall be trustees of the  
10 fund, and shall have the exclusive management of said fund, with  
11 full power to invest the moneys therein, subject to the terms,  
12 conditions, limitations and restrictions imposed by law upon  
13 fiduciaries. The said trustees shall have power to hold,  
14 purchase, sell, assign, transfer and dispose of any securities  
15 and investments in said fund, as well as the proceeds of such  
16 investments, and of the money belonging to such fund.

17 The board shall annually allow regular interest to the credit  
18 on each account, including each contributor's account.

19 Section 111. Municipal Guarantee.--The regular interest  
20 charges payable and the creation and maintenance of the  
21 necessary reserves for the payment of the municipal and member's  
22 annuities, as to any municipality in accordance with this act,  
23 are hereby made the obligation of that municipality.

24 Section 112. Annual Estimates to Municipalities;  
25 Administrative Expenses.--The board shall prepare and submit to  
26 each municipality, on or before the first day of the fourth  
27 month preceding the commencing of each municipality's fiscal  
28 year, an itemized estimate of the amounts necessary to be  
29 appropriated by the municipality to complete the payments of the  
30 obligations of the municipality to the fund during its next

1 fiscal year.

2 The board shall annually prepare and approve a budget  
3 covering the administrative expenses of this act. Such expenses  
4 as approved by the board shall be paid from receipts from  
5 assessments made against each municipality for administrative  
6 expenses. This assessment shall be based on the number of  
7 members in each municipality and shall not exceed the sum of ten  
8 dollars (\$10) per member during calendar year 1973 and a sum of  
9 ~~twenty dollars (\$20)~~ TWENTY-FIVE DOLLARS (\$25) per member in any <—  
10 succeeding year. ~~If in any year the amount received from such~~ <—  
11 ~~assessments, when imposed at the maximum rate, is not sufficient~~  
12 ~~to cover the administrative expenses, then the balance of such~~  
13 ~~expenses shall be paid from interest earnings on the fund in~~  
14 ~~excess of the regular interest credited to the municipal and~~  
15 ~~member's accounts.~~

16 Section 113. Existing Local Retirement Systems.--Where a  
17 municipality elects to join the system established by this act,  
18 and is then maintaining a retirement or pension system or  
19 systems covering its employes in whole or in part, those  
20 employes so covered, and employes thereafter eligible to join  
21 such pension system, shall not become members of the retirement  
22 system established by this act, unless at the time the  
23 municipality elects to join the system, the members of such  
24 existing retirement or pension system shall, by the affirmative  
25 vote of seventy-five per cent of all the members thereof, elect  
26 to be covered by the retirement system established by this act.  
27 At any time thereafter, within a period of three years after the  
28 municipality has elected to join the system, but not thereafter,  
29 the members of an existing retirement or pension system may, in  
30 like manner, elect to join the system established by this act.

1 In any such case, provisions may be made for the transfer of  
2 moneys and securities in its retirement or pension fund or  
3 funds, in whole or in part, to the fund established by this act.  
4 Securities so transferred shall be only those acceptable to the  
5 board. Securities not so acceptable shall be converted into  
6 cash, and said cash transferred to the fund created by this act.  
7 In any such transfer, provision shall be made to credit the  
8 accumulated deductions of each member, at least the amount he  
9 has paid into the retirement or pension system of the  
10 municipality, which moneys shall be credited against the prior  
11 service contributions of such member, or a municipality may turn  
12 over to the retirement system created by this act any existing  
13 local pension system on a completely funded basis, as to  
14 pensioners and pension credits of members related to prior  
15 service to the date of transfer, or on a partially funded basis  
16 if the municipality pays annually into the retirement system  
17 amounts sufficient to completely liquidate the municipality's  
18 liability for prior service within a period not to exceed thirty  
19 years.

20 No liability, on account of retirement allowances or pensions  
21 being paid from any retirement or pension fund of the  
22 municipality, shall attach against the fund, except as provided  
23 in the agreement, making a transfer of an existing system in  
24 accordance with this section. The liability to continue payment  
25 of pensions not so transferred shall attach against the  
26 municipality, which shall annually make appropriations from its  
27 tax revenues sufficient to pay the same. In cases where workers  
28 covered by an existing retirement or pension system elect to  
29 join the system created by this act, the election to join shall  
30 be deemed to have been made at the time the municipality elected

1 to join the system, and the liabilities of the municipality  
2 shall be fixed accordingly.

3 Section 114. Monthly Payments.--Any retirement allowance  
4 created under the provisions of this act shall be paid in equal  
5 monthly installments and shall not be increased, decreased,  
6 revoked or repealed, except where specifically otherwise  
7 provided by this act.

8 Section 115. Exemption of Retirement Allowance.--The  
9 retirement allowance and the contributions of members to the  
10 fund, all contributions returned to contributors under the  
11 provisions of this act and the moneys in the fund created by  
12 this act, shall be exempt from any State or municipal tax, and  
13 from any levy, sale, garnishment, attachment or other process  
14 whatsoever, and shall be unassignable except to a beneficiary.

15 Section 116. Source of Municipal Funds.--The amounts to be  
16 paid by municipalities under the provisions of this act shall be  
17 paid out of moneys raised annually by general taxation, or in  
18 the case of townships of the second class, out of taxes levied  
19 for road, bridge and general township purposes and out of moneys  
20 received from the State which are designated for pension  
21 purposes.

## 22 ARTICLE II

### 23 PROVISIONS RELATING TO MUNICIPAL EMPLOYEES

24 Section 201. Purpose.--This article shall provide for the  
25 uninterrupted continuation of retirement plans established under  
26 the act of June 4, 1943 (P.L.886, No.371), known as the  
27 "Municipal Employees' Retirement Law." It shall also provide for  
28 the enrollment of municipal employees' of new municipalities  
29 joining the system, at the contribution rates and benefit rates  
30 outlined in this article of the act.



1 Section 202. Transfer of the Municipal Employees' Retirement  
2 Fund to the Pennsylvania Municipal Retirement Fund.--On the  
3 effective date of this act all of the assets and liabilities of  
4 the Municipal Employees' Retirement Fund shall be transferred  
5 intact to the Pennsylvania Municipal Retirement Fund. The rights  
6 and benefits of the members and of the municipalities which have  
7 joined the Municipal Employees' Retirement System shall not be  
8 impaired in any way as a result of this transfer. Likewise, the  
9 obligations and responsibilities of both the members and the  
10 member municipalities which have joined the system shall not be  
11 changed and the contractual arrangements as they existed at the  
12 time the municipalities joined the Municipal Employees'  
13 Retirement System shall continue in force. Prior service credits  
14 for any members so transferred shall be computed from the date  
15 on which the municipality joined the Municipal Employees'  
16 Retirement System.

17 ~~Section 203. Compulsory and Optional Membership. If a~~ <—  
18 SECTION 203. EXISTING LOCAL RETIREMENT SYSTEMS AND <—  
19 COMPULSORY AND OPTIONAL MEMBERSHIP.--WHERE A MUNICIPALITY ELECTS  
20 TO JOIN THE SYSTEM ESTABLISHED BY THIS ACT, AND IS THEN  
21 MAINTAINING A RETIREMENT OR PENSION SYSTEM OR SYSTEMS COVERING  
22 ITS EMPLOYES IN WHOLE OR IN PART, THOSE EMPLOYES SO COVERED, AND  
23 EMPLOYES THEREAFTER ELIGIBLE TO JOIN SUCH PENSION SYSTEM, SHALL  
24 NOT BECOME MEMBERS OF THE RETIREMENT SYSTEM ESTABLISHED BY THIS  
25 ACT, UNLESS AT THE TIME THE MUNICIPALITY ELECTS TO JOIN THE  
26 SYSTEM, THE MEMBERS OF SUCH EXISTING RETIREMENT OR PENSION  
27 SYSTEM SHALL, BY THE AFFIRMATIVE VOTE OF SEVENTY-FIVE PER CENT  
28 OF ALL THE MEMBERS THEREOF, ELECT TO BE COVERED BY THE  
29 RETIREMENT SYSTEM ESTABLISHED BY THIS ACT. AT ANY TIME  
30 THEREAFTER, WITHIN A PERIOD OF THREE YEARS AFTER THE

1 MUNICIPALITY HAS ELECTED TO JOIN THE SYSTEM, BUT NOT THEREAFTER,  
2 THE MEMBERS OF AN EXISTING RETIREMENT OR PENSION SYSTEM MAY, IN  
3 LIKE MANNER, ELECT TO JOIN THE SYSTEM ESTABLISHED BY THIS ACT.  
4 IN ANY SUCH CASE, PROVISIONS MAY BE MADE FOR THE TRANSFER OF  
5 MONEYS AND SECURITIES IN ITS RETIREMENT OR PENSION FUND OR  
6 YEARS.

7 NO LIABILITY, ON ACCOUNT OF RETIREMENT ALLOWANCES OR PENSIONS  
8 BEING PAID FROM ANY RETIREMENT OR PENSION FUND OF THE  
9 MUNICIPALITY, SHALL ATTACH AGAINST THE FUND, EXCEPT AS PROVIDED  
10 IN THE AGREEMENT, MAKING A TRANSFER OF AN EXISTING SYSTEM IN  
11 ACCORDANCE WITH THIS SECTION. THE LIABILITY TO CONTINUE PAYMENT  
12 OF PENSIONS NOT SO TRANSFERRED SHALL ATTACH AGAINST THE  
13 MUNICIPALITY, WHICH SHALL ANNUALLY MAKE APPROPRIATIONS FROM ITS  
14 TAX REVENUES SUFFICIENT TO PAY THE SAME. IN CASES WHERE WORKERS  
15 COVERED BY AN EXISTING RETIREMENT OR PENSION SYSTEM ELECT TO  
16 JOIN THE SYSTEM CREATED BY THIS ACT, THE ELECTION TO JOIN SHALL  
17 BE DEEMED TO HAVE BEEN MADE AT THE TIME THE MUNICIPALITY ELECTED  
18 TO JOIN THE SYSTEM, AND THE LIABILITIES OF THE MUNICIPALITY  
19 SHALL BE FIXED ACCORDINGLY.

20 IF A municipality elects to join the system under the  
21 provisions of this Article II, then each officer other than  
22 elected officers, and each employe thereof other than a  
23 municipal fireman and a municipal policeman, employed on a  
24 permanent basis, except one who is not eligible for Federal  
25 Social Security coverage and except one who is covered by an  
26 existing retirement or pension system and is exempted under <—  
27 ~~section 113 of this act,~~ AS OUTLINED ABOVE, shall be required to <—  
28 become a member of the system. Each municipality shall determine  
29 whether membership in said system for elected officials and  
30 employes hired on a temporary or seasonal basis shall be

1 compulsory, optional or prohibited. Where membership may be  
2 optional with an elected officer or an employe hired on a  
3 temporary or seasonal basis, an election to join the system must  
4 be made within one year after the municipality elected to join  
5 the system or within one year after the officer or temporary or  
6 seasonal employe first entered the service of the municipality.  
7 Officers and employes paid only on a fee basis shall not be  
8 eligible to join the system.

9 Section 204. Service Allowance; Change of Employment;  
10 MILITARY SERVICE.--In computing the length of service of a ←  
11 contributor for retirement purposes, full credit shall be given  
12 to each original member for each year of service rendered to the  
13 municipality prior to the time the municipality joined the  
14 system, whether or not such service was continuous.

15 As soon as practicable, the board shall issue to each  
16 original member a certificate certifying the aggregate length of  
17 service rendered to the municipality prior to the time it joined  
18 the system. Such certificate shall be final and conclusive as to  
19 his prior service unless thereafter modified by the board, upon  
20 application of the member.

21 The time during which a member was absent from service  
22 without pay shall not be counted in computing the service of a  
23 contributor in his certificate, or upon retirement, unless  
24 specifically allowed by the municipality, with the approval of  
25 the board.

26 When a contributor leaves the employ of a municipality which  
27 has joined the system, and enters into the employ of another  
28 municipality which has also joined the system, his service  
29 credits shall remain unimpaired, but in such cases the unpaid  
30 municipal liability for prior service shall be prorated by the

1 board between the municipalities on an equitable basis.

2 A CONTRIBUTOR WHO HAS BEEN EMPLOYED BY A MUNICIPALITY FOR A ←  
3 PERIOD OF AT LEAST SIX MONTHS AND IS AN ACTIVE MEMBER OF THE  
4 SYSTEM AND WHO THEREAFTER, HERETOFORE, OR HEREAFTER, SHALL BE  
5 INDUCTED INTO THE MILITARY SERVICE OF THE UNITED STATES IN TIMES  
6 OF WAR, ARMED CONFLICT, OR NATIONAL EMERGENCY, SO PROCLAIMED BY  
7 THE PRESIDENT OF THE UNITED STATES, SHALL HAVE CREDITED TO HIS  
8 EMPLOYMENT RECORD, FOR PENSION OR RETIREMENT BENEFITS, ALL OF  
9 THE TIME SPENT BY HIM IN SUCH MILITARY SERVICE DURING THE  
10 CONTINUANCE OF SUCH WAR, ARMED CONFLICT, OR NATIONAL EMERGENCY  
11 IF SUCH PERSON RETURNS OR HAS HERETOFORE RETURNED TO HIS  
12 EMPLOYMENT WITHIN SIX MONTHS AFTER HIS SEPARATION FROM THE  
13 SERVICE. THE MUNICIPALITY SHALL, DURING THE PERIOD OF THE  
14 MEMBER'S INTERVENING MILITARY SERVICE, CONTINUE TO MAKE CURRENT  
15 SERVICE CONTRIBUTIONS TOWARD THE MUNICIPAL ANNUITY OF THE  
16 MEMBER. AN ACTIVE MEMBER MAY FILE AN APPLICATION WITH THE BOARD  
17 FOR PERMISSION TO PURCHASE CREDIT TOWARD HIS MEMBER'S SHARE OF  
18 THE ANNUITY FOR INTERVENING MILITARY SERVICE. THESE  
19 CONTRIBUTIONS SHALL BE COMPUTED BY APPLYING THE MEMBER'S  
20 CONTRIBUTION RATE TO HIS ANNUAL RATE OF COMPENSATION AT THE TIME  
21 OF ENTRY OF THE MEMBER INTO ACTIVE MILITARY SERVICE, AND  
22 MULTIPLYING THE RESULT BY THE NUMBER OF YEARS AND FRACTIONAL  
23 PART OF A YEAR OF CREDITABLE INTERVENING MILITARY SERVICE,  
24 TOGETHER WITH INTEREST FROM DATE OF RETURN TO EMPLOYMENT TO DATE  
25 OF PURCHASE. THE AMOUNT DUE FROM THE MEMBER SHALL BE CERTIFIED  
26 BY THE BOARD IN ACCORDANCE WITH METHODS APPROVED BY THE ACTUARY,  
27 AND MAY BE PAID BY (1) REGULAR MONTHLY PAYMENTS DURING ACTIVE  
28 MILITARY SERVICE, OR (2) A LUMP SUM PAYMENT WITHIN THIRTY DAYS  
29 OR (3) IT MAY BE AMORTIZED WITH ADDITIONAL INTEREST THROUGH  
30 SALARY DEDUCTIONS IN AMOUNTS AGREED UPON BY THE MEMBER OF THE

1 BOARD.

2 AN ACTIVE MEMBER MAY ALSO PURCHASE CREDIT FOR OTHER THAN  
3 INTERVENING MILITARY SERVICE PERFORMED FOR THE UNITED STATES IN  
4 TIMES OF WAR, ARMED CONFLICT OR NATIONAL EMERGENCY, SO  
5 PROCLAIMED BY THE PRESIDENT OF THE UNITED STATES, FOR A PERIOD  
6 NOT TO EXCEED FIVE YEARS: PROVIDED, THAT THE MEMBER HAS  
7 COMPLETED FIVE YEARS OF SERVICE TO THE MUNICIPALITY SUBSEQUENT  
8 TO SUCH MILITARY SERVICE. AN ACTIVE MEMBER MAY FILE AN  
9 APPLICATION WITH THE BOARD FOR PERMISSION TO PURCHASE CREDIT FOR  
10 NONINTERVENING MILITARY SERVICE UPON COMPLETION OF FIVE YEARS OF  
11 SUBSEQUENT SERVICE TO THE MUNICIPALITY. THE TYPE OF SERVICE  
12 CREDIT FOR SUCH SERVICE SHALL BE DETERMINED BY THE DATE OF ENTRY  
13 OF THE MUNICIPALITY INTO THE SYSTEM. IF THE DATE OF THE MEMBER'S  
14 SEPARATION FROM MILITARY SERVICE IS PRIOR TO THE DATE ON WHICH  
15 THE MUNICIPALITY JOINED THE SYSTEM, THEN THE CREDIT PURCHASED  
16 SHALL BE CONSIDERED AS PRIOR SERVICE CREDIT. IN THIS CASE THE  
17 AMOUNT DUE FROM THE MEMBER SHALL BE COMPUTED BY APPLYING THE  
18 MEMBER'S BASIC CONTRIBUTION RATE PLUS THE RATE OF CONTRIBUTION  
19 THE MUNICIPALITY PAID FOR CURRENT SERVICE DURING ITS FIRST YEAR  
20 OF ENTRY INTO THE SYSTEM TO HIS PRIOR SALARY AND MULTIPLYING THE  
21 RESULT BY THE NUMBER OF YEARS AND FRACTIONAL PART OF A YEAR OF  
22 CREDITABLE NONINTERVENING MILITARY SERVICE, PLUS INTEREST FROM  
23 THE DATE OF THE MEMBER'S EMPLOYMENT BY THE MUNICIPALITY TO THE  
24 DATE OF PURCHASE. THE AMOUNT DUE FROM THE MEMBER SHALL BE  
25 CERTIFIED BY THE BOARD IN ACCORDANCE WITH METHODS APPROVED BY  
26 THE ACTUARY, AND MAY BE PAID IN A LUMP SUM WITHIN THIRTY DAYS OR  
27 IT MAY BE AMORTIZED WITH ADDITIONAL INTEREST THROUGH SALARY  
28 DEDUCTIONS IN AMOUNTS AGREED UPON BY THE MEMBER AND THE BOARD.  
29 IF, ON THE OTHER HAND, THE DATE OF THE MEMBER'S SEPARATION FROM  
30 MILITARY SERVICE IS LATER THAN THE DATE OF ENTRY OF THE

1 MUNICIPALITY INTO THE SYSTEM, THEN THE CREDIT PURCHASED SHALL BE  
2 CONSIDERED AS CURRENT SERVICE CREDIT. IN THIS CASE THE AMOUNT  
3 DUE FROM THE MEMBER SHALL BE COMPUTED BY APPLYING THE MEMBER'S  
4 BASIC CONTRIBUTION RATE PLUS THE MUNICIPALITY'S NORMAL  
5 CONTRIBUTION RATE FOR CURRENT SERVICE WHICH WAS IN EFFECT ON THE  
6 DATE OF THE MEMBER'S ENTRY INTO EMPLOYMENT WITH THE MUNICIPALITY  
7 TO HIS AVERAGE ANNUAL RATE OF COMPENSATION OVER THE FIRST FIVE  
8 YEARS OF HIS SUBSEQUENT EMPLOYMENT AND MULTIPLYING THE RESULT BY  
9 THE NUMBER OF YEARS AND FRACTIONAL PART OF A YEAR OF CREDITABLE  
10 NONINTERVENING MILITARY SERVICE BEING PURCHASED, PLUS INTEREST  
11 FROM THE DATE OF EMPLOYMENT BY THE MUNICIPALITY TO DATE OF  
12 PURCHASE.

13 THE AMOUNT DUE FROM THE MEMBER SHALL BE CERTIFIED BY THE  
14 BOARD IN ACCORDANCE WITH METHODS APPROVED BY THE ACTUARY, AND  
15 MAY BE PAID IN A LUMP SUM WITHIN THIRTY DAYS OR IT MAY BE  
16 AMORTIZED WITH ADDITIONAL INTEREST THROUGH SALARY DEDUCTIONS IN  
17 AMOUNTS AGREED UPON BY THE MEMBER AND THE BOARD.

18 THE RATE OF INTEREST TO BE CHARGED TO MEMBERS ON THEIR  
19 PURCHASE OF CREDIT FOR INTERVENING OR NONINTERVENING MILITARY  
20 SERVICE SHALL BE THE RATE BEING CREDITED BY THE SYSTEM TO  
21 MEMBER'S CONTRIBUTION ACCOUNTS IN EFFECT ON THE DATE OF THE  
22 MEMBER'S APPLICATION, COMPOUNDED ANNUALLY.

23 A MEMBER MAY PURCHASE CREDIT FOR INTERVENING OR  
24 NONINTERVENING MILITARY SERVICE ONLY IF HIS DISCHARGE OR  
25 SEPARATION FROM THE SERVICE WAS GRANTED UNDER OTHER THAN  
26 DISHONORABLE CONDITIONS.

27 A MEMBER MAY NOT PURCHASE CREDIT FOR ANY MILITARY SERVICE FOR  
28 WHICH HE IS ENTITLED TO RECEIVE A RETIREMENT ALLOWANCE FROM THE  
29 UNITED STATES GOVERNMENT.

30 APPLICATIONS FOR PERMISSION TO PURCHASE CREDIT FOR MILITARY

1 SERVICE MUST BE ACCOMPANIED BY PROOF OF THE NATURE OF HIS  
2 DISCHARGE OR SEPARATION FROM THE MILITARY SERVICE.

3 Section 205. Determination of Municipal Liability.--The  
4 actuary shall as soon as may be, determine the present value of  
5 the liability of each municipality for the prior service credits  
6 to its original members, and shall establish an amount payable  
7 annually over a period not exceeding thirty years, through which  
8 payments such prior service liability may be funded. Each  
9 municipality shall have the option to spread the payment of such  
10 prior service liability over such period of years.

11 The municipal liability to be determined by the actuary shall  
12 be based upon credit for all years of prior service toward the  
13 municipal annuity of each original member, subject to such of  
14 the following options as the municipality may elect:

15 (1) The municipality may limit to ten years the credit for  
16 prior service toward the municipal annuity of each original  
17 member;

18 (2) The municipality may assume the liability for payment of  
19 the member's contributions for the prior service or any portion  
20 thereof of each original member.

21 The actuary shall also determine, from time to time, the  
22 amount which shall be contributed annually by each municipality  
23 for service credits of original and new members subsequent to  
24 the time the municipality joined the system, and the additional  
25 amount which shall be contributed annually by each municipality  
26 toward a reserve account for disability allowances payable to  
27 original or new members, in order that all future service  
28 liability may be fully funded on an actuarial basis.

29 The amounts so determined by the actuary may be expressed in  
30 a percentage of the payroll of the municipality covering its

1 contributing members.

2 The cost of making the valuations required by this section  
3 and in the transfer of any existing pension system of any  
4 municipality, shall be part of the costs of administration of  
5 this act.

6 Section 206. Contributions by Members; Consolidation of  
7 Credits; Change of Employment.--Each member of the system shall  
8 be required to contribute to the fund such per cent of his  
9 actual salary or compensation, including fees where paid in part  
10 on a fee basis, as shall be computed by the actuary to be  
11 approximately sufficient to procure for him on a superannuation  
12 retirement age, a member's annuity of approximately one two-  
13 hundred-fiftieth of that portion of his final salary on which  
14 social security benefits are payable and of one one-hundred-  
15 twenty-fifth of any portion of his final salary in excess of the  
16 amount on which social security benefits are payable for each  
17 year of service, after the time the municipality by which he is  
18 employed joined the system.

19 In order to increase his member's annuity, each member shall  
20 also have the option to make contributions for his prior  
21 service. Such contributions for prior service may be anticipated  
22 in whole or in part at the time the municipality joins the  
23 system, or payment thereof or such part thereof as is not  
24 anticipated may be spread over a period of time by increasing  
25 the payroll deduction of the member by at least one-third. When  
26 a member elects to contribute on account of all of his unpaid  
27 prior service, his rate of contribution shall be calculated as  
28 of his age at the time he first entered the service of the  
29 municipality: Provided, however, That any municipality may, at  
30 the time it elects to join the system, or at any time



1 thereafter, agree with the board to pay into the fund as part of  
2 its liability under and in accordance with section 205 hereof,  
3 the moneys necessary to provide the member's contributions for  
4 prior service, and in such case no contributions for prior  
5 service shall be made by the members.

6 Member's contributions shall be paid into the fund by the  
7 municipality through payroll deductions in such manner and at  
8 such time as the board may by rule and regulation determine.

9 When a municipal employe is employed by more than one  
10 municipality, he shall be required to make contributions on  
11 account of his salary paid by each municipality. In such cases  
12 the board shall provide for the consolidation of credits of the  
13 contributor and, upon his retirement, for a consolidated  
14 retirement allowance.

15 Section 207. Withdrawal; Return to Service; Death in  
16 Service.--(a) Should a contributor, before reaching  
17 superannuation retirement age, for any reason cease to be a  
18 municipal employe, he shall be paid by the board the full amount  
19 of the accumulated deductions standing to his credit in the  
20 member's account, unless he is entitled to vesting rights or to  
21 a retirement allowance for retirement not voluntarily, and  
22 elects to exercise such vesting rights or take such retirement  
23 allowance. Should such former contributor thereafter return to  
24 the service of the same municipality and restore to the fund, in  
25 such manner as may be agreed upon by such person and the board,  
26 his withdrawn accumulated deductions as they were at the time of  
27 his separation from service, his annuity rights as they existed  
28 at the time of separation from service shall be restored and his  
29 obligations as a member shall begin again. The rate of  
30 contribution of such returning member shall be the same as it

1 was at the time he separated from service.

2 (b) Should a contributor, having attained or passed  
3 superannuation age, elect, upon leaving the service of the  
4 municipality, not to claim the retirement allowance to which he  
5 is entitled, he shall, upon written application, be paid by the  
6 board the full amount of the accumulated deductions standing to  
7 his credit in the member's account.

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

29 (d) Should a contributor die while in service, prior to  
30 becoming eligible for a retirement allowance, his accumulated

1 deductions shall be paid to his estate, or to such person, if  
2 living, as he shall have designated in writing, filed with the  
3 board as his beneficiary. In case any contributor has failed to  
4 designate a beneficiary, or if the named beneficiary has  
5 predeceased the member and no such successor beneficiary has  
6 been named, and upon the death in service shall have less than  
7 one hundred dollars (\$100) in accumulated deductions standing to  
8 his credit, the board may, if letters testamentary or of  
9 administration have not been taken out on his estate within six  
10 months after death, pay such accumulated deductions on the claim  
11 of the undertaker, or to any person or municipality which shall  
12 have paid the claim of the undertaker.

13 Section 208. Superannuation Retirement.--Retirement for  
14 superannuation shall be as follows:

15 (a) Any contributor who has reached superannuation  
16 retirement age may retire for superannuation by filing with the  
17 board a written statement, duly attested, setting forth on what  
18 date he desires to be retired. Said application shall make the  
19 superannuation retirement allowance effective on the date so  
20 specified, if such application was filed in the office of the  
21 board or deposited in the United States mail, addressed to the  
22 board, before the date specified in the application and before  
23 the death of the contributor, but the date so specified in the  
24 application shall not be more than ninety days after the date of  
25 filing, or the date the application was deposited in the mail.

26 (b) On retirement for superannuation, a contributor shall be  
27 entitled to a retirement allowance throughout his life, which  
28 shall consist of:

29 (1) A member's annuity of equivalent actuarial value of his  
30 accumulated deductions; and

1       (2) A municipal annuity which shall be equal to (i) for  
2 current service, one two-hundred-fiftieth of that portion of his  
3 final salary on which social security benefits are payable plus  
4 one one-hundred-twenty-fifth of any portion of his final salary  
5 in excess of the amount on which social security benefits are  
6 payable for each year of service while a member, and in addition  
7 thereto, (ii) for prior service in case of an original member,  
8 one two-hundred-fiftieth of that portion of his prior salary on  
9 which social security benefits are payable plus one one-hundred-  
10 twenty-fifth of any portion of his prior salary in excess of the  
11 amount on which social security benefits are payable for each  
12 year of prior service or for a maximum of ten years if the  
13 municipality has so limited the period of prior service, and in  
14 addition thereto, one two-hundred-fiftieth of his prior salary  
15 on which social security benefits are payable plus one one-  
16 hundred-twenty-fifth of any portion of his prior salary in  
17 excess of the amount on which social security benefits are  
18 payable for each year of prior service for which the  
19 municipality has paid or has obligated itself to pay the  
20 member's contributions.

21       (c) In no event shall the municipal annuity exceed fifty per  
22 cent of the final salary.

23       Sections 209. Death Benefits.--(a) The provisions of  
24 subsection (b) and (c) of this section shall not apply to any  
25 member unless the municipality by which he is employed has  
26 elected by ordinance or resolution, to extend the provisions of  
27 this section to its employes. A duly certified copy of such  
28 ordinance or resolution shall be filed with the board.

29       (b) A contributor to the system who is entitled to a  
30 superannuation retirement allowance by reason of having reached

1 superannuation retirement age or who is entitled to a withdrawal  
2 allowance by reason of having completed twenty-four years of  
3 total service, may file with the board a written application for  
4 retirement, in the form required for such application, but  
5 requesting that such retirement shall become effective as of the  
6 time of his death, electing one of the options provided in  
7 section 211 and nominating a person having an insurable interest  
8 in his life under said option as required in said section. In  
9 all such cases, the application shall be held by the board until  
10 the contributor shall file a later application in the usual  
11 manner for a superannuation retirement allowance or until the  
12 death of the contributor occurring while in municipal service,  
13 at which time his retirement shall become effective with the  
14 same benefits to the person designated as if the contributor had  
15 retired on the day immediately preceding his death.

16 (c) A contributor to the system who is entitled to a  
17 superannuation retirement allowance by reason of having reached  
18 superannuation retirement age or who is entitled to a withdrawal  
19 allowance by reason of having completed twenty-four years of  
20 total service and who has died in municipal service before  
21 filing with the board a written application for a superannuation  
22 retirement allowance as provided in subsection (b) of this  
23 section shall be considered as having elected Option 1 as  
24 provided in section 211 as of the date of his death. In such  
25 event, payment under Option 1 shall be made to the beneficiary  
26 designated in the nomination of beneficiary form on file with  
27 the board, or if said beneficiary has predeceased the  
28 contributor, to the legal representative of said contributor.

29 Section 210. Early Retirement.--Should a contributor be  
30 discontinued from service not voluntarily, after having

1 completed eight years of total service, or voluntarily after  
2 having completed twenty-four years of total service, but in  
3 either event before reaching superannuation retirement age, he  
4 shall be paid as he may elect, as follows:

5 (1) The full amount of the accumulated deductions standing  
6 to his credit in the member's account of the fund; or

7 (2) Upon the filing of an application in the manner outlined  
8 in subsection (a) of section 208, a retirement allowance which  
9 shall consist of (i) a member's annuity of equivalent actuarial  
10 value to his accumulated deductions; and (ii) a municipal  
11 annuity of equivalent actuarial value to the present value of a  
12 municipal annuity, beginning at superannuation retirement age,  
13 calculated in accordance with the provisions of section 208; or

14 (3) If qualified, a deferred retirement allowance as  
15 provided in section 213.

16 Section 211. Options on Superannuation or Early  
17 Retirement.--At the time of his superannuation or early  
18 retirement, a contributor may elect to receive his benefits in a  
19 retirement allowance payable throughout his life, which shall be  
20 known as a single life annuity, or instead, he may elect to  
21 receive the equivalent actuarial value at that time of his  
22 retirement allowance in a lesser allowance, payable throughout  
23 life with provisions that:

24 (1) Option 1. If he shall die before receiving in payments  
25 the present value of his retirement allowance as it was at the  
26 time of his retirement, the balance, if less than five thousand  
27 dollars (\$5,000), shall be paid in a lump sum to his legal  
28 representative, or to or in trust for his beneficiary. If the  
29 balance is five thousand dollars (\$5,000) or more, the  
30 beneficiary may elect by application duly acknowledged and filed

1 with the board to receive payment of such balance according to  
2 any one of the following provisions: (i) a lump sum payment;  
3 (ii) an annuity having a present value equal to the balance  
4 payable; (iii) a lump sum payment and an annuity. Such annuity  
5 shall be of equivalent actuarial value to the balance payable  
6 less the amount of the lump sum payment specified by the  
7 beneficiary.

8 (2) Option 2. Upon his death, his retirement allowance  
9 shall be continued throughout the life of and paid to his  
10 survivor annuitant, if then living.

11 (3) Option 3. Upon his death, one-half of his retirement  
12 allowance shall be continued throughout the life of and paid to  
13 his survivor annuitant, if then living.

14 Section 212. Disability Retirement.--(a) After a contributor  
15 has had ten or more years of total service, he may, upon  
16 application or on the application of one acting in his behalf,  
17 or upon application of a head of the department of the  
18 municipality by which he is employed, be retired by the board on  
19 a disability allowance if he is under superannuation retirement  
20 age, and on a superannuation retirement allowance if he has  
21 attained or passed such age, if the physician designated by the  
22 board, after medical examination of the contributor made at the  
23 place of residence of the contributor or at a place mutually  
24 agreed upon, shall certify to the board that the contributor is  
25 unable to engage in any gainful employment and that said  
26 contributor ought to be retired. When the disability of a  
27 contributor is determined to be service-connected, as defined in  
28 this act, no minimum period of service shall be required for  
29 eligibility. Application filing requirements shall be identical  
30 to those outlined in subsection (a) of section 208.

1 (b) On retirement for disability a member shall receive a  
2 retirement allowance which shall consist of:

3 (1) A member's annuity of the equivalent actuarial value to  
4 his accumulated deductions;

5 (2) A municipal annuity of the equivalent actuarial value to  
6 the present value of a municipal annuity, beginning at  
7 superannuation retirement age, calculated in accordance with the  
8 provision of section 208; and

9 (3) A disability annuity payable from the total disability  
10 reserve account which, together with the member's annuity and  
11 the municipal annuity, shall be sufficient to produce a  
12 retirement allowance of thirty per cent of the final salary.

13 Where the disability of the member is determined to be service-  
14 connected, as defined in this act, the retirement allowance  
15 shall equal fifty per cent of his final salary. The disability  
16 annuity shall be reduced by the amount of any payments for which  
17 the member shall be eligible under the act of June 2, 1915  
18 (P.L.736, No.338), known as "The Pennsylvania Workmen's  
19 Compensation Act," or the act of June 21, 1939 (P.L.566,  
20 No.284), known as "The Pennsylvania Occupational Disease Act."

21 (c) Once every year the board may require any disability  
22 annuitant, while still under superannuation retirement age, to  
23 undergo medical examination by a physician designated by the  
24 board. Such examination shall be made at the place of residence  
25 of the beneficiary or other place mutually agreed upon. Should  
26 the physician report and certify to the board that such  
27 disability beneficiary is no longer physically or mentally  
28 incapacitated for the performance of duty and is able to engage  
29 in a gainful occupation, then his disability retirement  
30 allowance shall be discontinued, and in lieu thereof an early



1 involuntary retirement allowance shall at that time be granted  
2 as if such person had been retired not voluntarily, if such  
3 person shall have had eight or more years of total service.

4 (d) Should a disability annuitant, while under  
5 superannuation retirement age, refuse to submit to at least one  
6 medical examination in any year by a physician designated by the  
7 board, his disability retirement allowance shall be discontinued  
8 until the withdrawal of such refusal, and should such refusal  
9 continue for one year, then all his rights in and to any  
10 disability retirement allowance or for early involuntary  
11 retirement allowance provided for by this act, shall be  
12 forfeited.

13 (e) Any contributor entitled to retire for disability may,  
14 in lieu of such retirement, if he has eight or more years of  
15 total service, elect to retire not voluntarily under the  
16 provisions of this act.

17 (f) Should a disability annuitant die before the total  
18 disability retirement allowance received shall be at least equal  
19 to the amount of his accumulated deductions at the time of  
20 disability retirement, then the board shall pay to the named  
21 beneficiary, if living, or if the beneficiary predeceased the  
22 annuitant, or no beneficiary was named, then to the annuitant's  
23 estate, an amount equal to the difference between such total  
24 retirement allowance received and the annuitant's accumulated  
25 deductions, and if such difference is less than one hundred  
26 dollars (\$100) and no letters have been taken out on the estate  
27 within six months after death, then such difference may be paid  
28 to the undertaker or to any person or municipality who or which  
29 shall have paid the claim of the undertaker.

30 Section 213. Vesting.--(a) Should a contributor, before

1 reaching superannuation retirement age and after having  
2 completed twelve years of total service, for any reason cease to  
3 be a municipal employe, he shall be entitled to vest his  
4 retirement benefits until he attains superannuation retirement  
5 age, by filing with the board a written notice of his intentions  
6 to vest, within ninety days of the date of his termination.

7 (b) A contributor, who was terminated not voluntarily, may  
8 elect, after he has vested, to be paid as follows:

9 (1) The full amount of the accumulated deductions, including  
10 interest to the date of termination, standing to his credit in  
11 the member's account of the fund; or

12 (2) An early retirement allowance as computed under the  
13 provisions of clause (2) of section 210; or

14 (3) Upon reaching superannuation retirement age, a  
15 superannuation retirement allowance as computed under the  
16 provisions of section 208.

17 (c) A contributor, who voluntarily terminated his service,  
18 may elect, after he has vested, to be paid as follows:

19 (1) The full amount of the accumulated deductions, including  
20 interest to the date of termination, standing to his credit in  
21 the member's account of the fund; or

22 (2) If the contributor has completed twenty-four years or  
23 more of total service, a voluntary withdrawal allowance computed  
24 in accordance with the provisions of section 210; or

25 (3) Upon reaching superannuation retirement age, a  
26 superannuation retirement allowance as computed under the  
27 provisions of section 208.

28 (d) Should a contributor, who has vested, die before he  
29 becomes eligible for a retirement allowance, the full amount of  
30 the accumulated deductions, including interest to the date of

1 his termination, standing to his credit in the member's account  
2 of the fund shall be paid to his estate or to his named  
3 beneficiary in accordance with the provisions of subsection (d)  
4 of section 207.

5 ~~Section 214. Withdrawal Prohibited. No municipality, after~~ <—  
6 ~~it has joined the system under the provisions of this Article~~  
7 ~~II, shall be permitted to withdraw therefrom, and, in the case~~  
8 ~~of failure to make payments as required by this act, the~~  
9 ~~Commonwealth shall withhold payment to the municipality any~~  
10 ~~funds to which the municipality may be entitled for pension~~  
11 ~~purposes. The board may recover any sums due to the fund by suit~~  
12 ~~at law, or other appropriate remedy.~~

13 SECTION 214. WITHDRAWAL PROVISIONS.--AT ANY TIME WITHIN <—  
14 THREE YEARS AFTER A MUNICIPALITY HAS INITIALLY JOINED THE  
15 RETIREMENT SYSTEM CREATED OR CONTINUED UNDER THIS ARTICLE II IT  
16 MAY WITHDRAW FROM THE SYSTEM IF IT HAS MET ALL OF ITS FINANCIAL  
17 OBLIGATIONS TO THE FUND. THE MEMBER'S CONTRIBUTIONS OF THE  
18 WITHDRAWING MUNICIPALITY'S EMPLOYEES SHALL BE RETURNED TO THE  
19 MEMBERS. NO REFUND OF ANY CONTRIBUTIONS PAID BY THE MUNICIPALITY  
20 SHALL BE MADE AND THESE MONEYS SHALL REMAIN IN THE PENNSYLVANIA  
21 MUNICIPAL RETIREMENT FUND FOR THE BENEFIT OF THE REMAINING  
22 MEMBERS. ANY SUCH WITHDRAWAL MUST BE EFFECTED THROUGH AN  
23 ORDINANCE OR RESOLUTION CONTAINING THE AFFIRMATIVE VOTE OF  
24 SEVENTY-FIVE PER CENT OF ALL OF THE MEMBERS OF ITS LEGISLATIVE  
25 BODY AND IF THE LEGISLATIVE BODY IS COMPOSED OF ONLY THREE  
26 PERSONS, THEN BY AN UNANIMOUS AFFIRMATIVE VOTE. IN ALL CASES AN  
27 AFFIRMATIVE VOTE APPROVING SUCH ACTION BY SEVENTY-FIVE PER CENT  
28 OF THE MUNICIPAL EMPLOYEES AFFECTED BY THE ORDINANCE OR  
29 RESOLUTION MUST BE CERTIFIED BY THE MUNICIPALITY TO THE BOARD.

30 THEREAFTER, NO MUNICIPALITY, AFTER IT HAS JOINED THE SYSTEM

1 UNDER THE PROVISIONS OF THIS ARTICLE II, SHALL BE PERMITTED TO  
2 WITHDRAW THEREFROM, AND, IN THE CASE OF FAILURE TO MAKE PAYMENTS  
3 AS REQUIRED BY THIS ACT, THE COMMONWEALTH SHALL WITHHOLD PAYMENT  
4 TO THE MUNICIPALITY ANY FUNDS TO WHICH THE MUNICIPALITY MAY BE  
5 ENTITLED FOR PENSION PURPOSES. THE BOARD MAY RECOVER ANY SUMS  
6 DUE TO THE FUND BY SUIT AT LAW, OR OTHER APPROPRIATE REMEDY.

7 Section 215. Procedures for Amending Contracts.--Any  
8 municipality which has joined the system under the provisions of  
9 this Article II may, with the approval of the board, enter into  
10 a contract with the board as outlined in Article IV of this act,  
11 to increase any of the benefits enumerated in Article IV. The  
12 board shall not enter into any contract with any municipality  
13 which decreases benefits, nor shall it enter into any contract  
14 with a municipality which provides for benefits in excess of or  
15 minimum member's contribution rates less than those available to  
16 it under any other existing law pertaining to the establishment  
17 of retirement systems for that class of municipality. Before the  
18 board approves any such contract it shall first determine,  
19 through its actuary, that the plan outlined in the contract is  
20 actuarially sound. Any municipality which elects to enter into a  
21 contract for increased benefits which would result in an  
22 increase in its employes contribution rates shall first obtain  
23 the written consent of at least seventy-five per cent of its  
24 then member employes. Additional costs for contracted increases  
25 in benefits shall become the responsibility of the municipality  
26 and/or the members as specified in the contract.

27 ARTICLE III

28 PROVISIONS RELATING TO MUNICIPAL FIREMEN AND MUNICIPAL POLICE

29 Section 301. Purpose.--This article shall provide for the  
30 uninterrupted continuation of retirement plans established under

1 the act of July 31, 1968 (P.L.944, No.291), known as the  
2 "Municipal Police Retirement Law." It shall also provide for the  
3 enrollment of municipal firemen and municipal police of new  
4 municipalities joining the system at the contribution rates and  
5 benefit rates outlined in this article of the act.

6 Section 302. Transfer of the Municipal Police Retirement  
7 Fund to the Pennsylvania Municipal Retirement Fund.--On the  
8 effective date of this act all of the assets and liabilities of  
9 the Municipal Police Retirement Fund shall be transferred intact  
10 to the Pennsylvania Municipal Retirement Fund. The rights and  
11 benefits of the members and of the municipalities which have  
12 joined the Municipal Police Retirement System shall not be  
13 impaired in any way as a result of this transfer. Likewise, the  
14 obligations and responsibilities of both the members and the  
15 municipalities which have joined the system shall not be changed  
16 and the contractual arrangements as they existed at the time the  
17 municipalities joined the Municipal Police Retirement System  
18 shall continue in force. Prior service credits for any members  
19 so transferred shall be computed from the date on which the  
20 municipality joined the Municipal Police Retirement System.

21 ~~Section 303. Compulsory Membership. If a municipality~~ <—  
22 SECTION 303. EXISTING LOCAL RETIREMENT SYSTEMS AND <—  
23 COMPULSORY MEMBERSHIP.--WHERE A MUNICIPALITY ELECTS TO JOIN THE  
24 SYSTEM ESTABLISHED BY THIS ACT, AND IS THEN MAINTAINING A  
25 RETIREMENT OR PENSION SYSTEM OR SYSTEMS COVERING ITS EMPLOYES IN  
26 WHOLE OR IN PART, THOSE EMPLOYES SO COVERED, AND EMPLOYES  
27 THEREAFTER ELIGIBLE TO JOIN SUCH PENSION SYSTEM, SHALL NOT  
28 BECOME MEMBERS OF THE RETIREMENT SYSTEM ESTABLISHED BY THIS ACT,  
29 UNLESS AT THE TIME THE MUNICIPALITY ELECTS TO JOIN THE SYSTEM,  
30 THE MEMBERS OF SUCH EXISTING RETIREMENT OR PENSION SYSTEM SHALL,

1 BY THE AFFIRMATIVE VOTE OF SEVENTY-FIVE PER CENT OF ALL THE  
2 MEMBERS THEREOF, ELECT TO BE COVERED BY THE RETIREMENT SYSTEM  
3 ESTABLISHED BY THIS ACT. AT ANY TIME THEREAFTER, WITHIN A PERIOD  
4 OF THREE YEARS AFTER THE MUNICIPALITY HAS ELECTED TO JOIN THE  
5 SYSTEM, BUT NOT THEREAFTER, THE MEMBERS OF AN EXISTING  
6 RETIREMENT OR PENSION SYSTEM MAY, IN LIKE MANNER, ELECT TO JOIN  
7 THE SYSTEM ESTABLISHED BY THIS ACT. IN ANY SUCH CASE, PROVISIONS  
8 MAY BE MADE FOR THE TRANSFER OF MONEYS AND SECURITIES IN ITS  
9 RETIREMENT OR PENSION FUND OR YEARS.

10 NO LIABILITY, ON ACCOUNT OF RETIREMENT ALLOWANCES OR PENSIONS  
11 BEING PAID FROM ANY RETIREMENT OR PENSION FUND OF THE  
12 MUNICIPALITY, SHALL ATTACH AGAINST THE FUND, EXCEPT AS PROVIDED  
13 IN THE AGREEMENT, MAKING A TRANSFER OF AN EXISTING SYSTEM IN  
14 ACCORDANCE WITH THIS SECTION. THE LIABILITY TO CONTINUE PAYMENT  
15 OF PENSIONS NOT SO TRANSFERRED SHALL ATTACH AGAINST THE  
16 MUNICIPALITY, WHICH SHALL ANNUALLY MAKE APPROPRIATIONS FROM ITS  
17 TAX REVENUES SUFFICIENT TO PAY THE SAME. IN CASES WHERE WORKERS  
18 COVERED BY AN EXISTING RETIREMENT OR PENSION SYSTEM ELECT TO  
19 JOIN THE SYSTEM CREATED BY THIS ACT, THE ELECTION TO JOIN SHALL  
20 BE DEEMED TO HAVE BEEN MADE AT THE TIME THE MUNICIPALITY ELECTED  
21 TO JOIN THE SYSTEM, AND THE LIABILITIES OF THE MUNICIPALITY  
22 SHALL BE FIXED ACCORDINGLY.

23 IF A MUNICIPALITY elects to cover its municipal firemen under  
24 the provisions of the system created by this Article III, then  
25 each municipal fireman shall be required to become a member of  
26 the system.

27 If a municipality elects to cover its municipal police under  
28 the provisions of the system created by this Article III, then  
29 each municipal policeman shall be required to become a member of  
30 the system.

1 Section 304. Separate Ordinances or Resolutions; Separate  
2 Accounts.--Any municipality electing to cover both its municipal  
3 firemen and municipal police under the system created by this  
4 Article III shall be required to pass separate ordinances or  
5 resolutions covering each class of employes.

6 The board shall maintain separate accounting records for  
7 municipal firemen and for municipal police. However, in the  
8 interest of good investment practice, the board may, in its  
9 discretion, comingle moneys received from municipalities,  
10 municipal employes, municipal firemen and municipal police.

11 Section 305. ~~Service Allowance; Military Service; Change of~~ <—  
12 ~~Employment.~~— CHANGE OF EMPLOYMENT; MILITARY SERVICE.--In <—  
13 computing the length of service of a contributor for retirement  
14 purposes, full credit shall be given to each original member for  
15 each year of service rendered to the municipality prior to the  
16 time the municipality joined the system.

17 ~~Any municipal fireman or municipal policeman employed by a~~ <—  
18 ~~municipality who has been a regularly appointed fireman or~~  
19 ~~policeman for a period of at least six months and who~~  
20 ~~thereafter, heretofore, or hereafter, shall be inducted into the~~  
21 ~~military service of the United States in times of war, armed~~  
22 ~~conflict, or national emergency, so proclaimed by the President~~  
23 ~~of the United States, shall have credited to his employment~~  
24 ~~record, for pension or retirement benefits, all of the time~~  
25 ~~spent by him in such military service during the continuance of~~  
26 ~~such war, armed conflict, or national emergency if such person~~  
27 ~~returns or has heretofore returned to his employment within six~~  
28 ~~months after his separation from the service.~~

29 As soon as practicable, the board shall issue to each  
30 original member a certificate certifying the aggregate length of

1 service rendered to the municipality prior to the time it joined  
2 the system. Such certificate shall be final and conclusive as to  
3 his prior service unless thereafter modified by the board, upon  
4 application of the member.

5 The time during which a member was absent from service  
6 without pay, except for military service, shall not be counted  
7 in computing the service of a contributor in his certificate, or  
8 upon retirement unless specially allowed by the municipality,  
9 with the approval of the board.

10 When a contributor leaves the employ of a municipality which  
11 has joined the system, and enters into the employ of another  
12 municipality which has also joined the system, his service  
13 credits shall remain unimpaired, but in such cases the unpaid  
14 municipal liability for prior service shall be prorated by the  
15 board between the municipalities on an equitable basis.

16 ANY MUNICIPAL FIREMAN OR MUNICIPAL POLICEMAN EMPLOYED BY A ←  
17 MUNICIPALITY WHO HAS BEEN A REGULARLY APPOINTED FIREMAN OR  
18 POLICEMAN FOR A PERIOD OF AT LEAST SIX MONTHS AND IS AN ACTIVE  
19 MEMBER OF THE SYSTEM AND WHO THEREAFTER, HERETOFORE, OR  
20 HEREAFTER, SHALL BE INDUCTED INTO THE MILITARY SERVICE OF THE  
21 UNITED STATES IN TIMES OF WAR, ARMED CONFLICT, OR NATIONAL  
22 EMERGENCY, SO PROCLAIMED BY THE PRESIDENT OF THE UNITED STATES,  
23 SHALL HAVE CREDITED TO HIS EMPLOYMENT RECORD, FOR PENSION OR  
24 RETIREMENT BENEFITS, ALL OF THE TIME SPENT BY HIM IN SUCH  
25 MILITARY SERVICE DURING THE CONTINUANCE OF SUCH WAR, ARMED  
26 CONFLICT, OR NATIONAL EMERGENCY IF SUCH PERSON RETURNS OR HAS  
27 HERETOFORE RETURNED TO HIS EMPLOYMENT WITHIN SIX MONTHS AFTER  
28 HIS SEPARATION FROM THE SERVICE. THE MUNICIPALITY SHALL, DURING  
29 THE PERIOD OF THE MEMBER'S INTERVENING MILITARY SERVICE,  
30 CONTINUE TO MAKE CURRENT SERVICE CONTRIBUTIONS TOWARD THE



1 MUNICIPAL ANNUITY OF THE MEMBER. AN ACTIVE MEMBER MAY FILE AN  
2 APPLICATION WITH THE BOARD FOR PERMISSION TO PURCHASE CREDIT  
3 TOWARD HIS MEMBER'S SHARE OF THE ANNUITY FOR INTERVENING  
4 MILITARY SERVICE. THESE CONTRIBUTIONS SHALL BE COMPUTED BY  
5 APPLYING THE MEMBER'S CONTRIBUTION RATE TO HIS ANNUAL RATE OF  
6 COMPENSATION AT THE TIME OF ENTRY OF THE MEMBER INTO ACTIVE  
7 MILITARY SERVICE, AND MULTIPLYING THE RESULT BY THE NUMBER OF  
8 YEARS AND FRACTIONAL PART OF A YEAR OF CREDITABLE INTERVENING  
9 MILITARY SERVICE, TOGETHER WITH INTEREST FROM DATE OF RETURN TO  
10 EMPLOYMENT TO DATE OF PURCHASE. THE AMOUNT DUE FROM THE MEMBER  
11 SHALL BE CERTIFIED BY THE BOARD IN ACCORDANCE WITH METHODS  
12 APPROVED BY THE ACTUARY, AND MAY BE PAID BY (1) REGULAR MONTHLY  
13 PAYMENTS DURING ACTIVE MILITARY SERVICE, OR (2) A LUMP SUM  
14 PAYMENT WITHIN THIRTY DAYS, OR (3) IT MAY BE AMORTIZED WITH  
15 ADDITIONAL INTEREST THROUGH SALARY DEDUCTIONS IN AMOUNTS AGREED  
16 UPON BY THE MEMBER AND THE BOARD.

17 AN ACTIVE MEMBER MAY ALSO PURCHASE CREDIT FOR OTHER THAN  
18 INTERVENING MILITARY SERVICE PERFORMED FOR THE UNITED STATES IN  
19 TIMES OF WAR, ARMED CONFLICT OR NATIONAL EMERGENCY, SO  
20 PROCLAIMED BY THE PRESIDENT OF THE UNITED STATES, FOR A PERIOD  
21 NOT TO EXCEED FIVE YEARS: PROVIDED, THAT THE MEMBER HAS  
22 COMPLETED FIVE YEARS OF SERVICE TO THE MUNICIPALITY SUBSEQUENT  
23 TO SUCH MILITARY SERVICE. AN ACTIVE MEMBER MAY FILE AN  
24 APPLICATION WITH THE BOARD FOR PERMISSION TO PURCHASE CREDIT FOR  
25 NONINTERVENING MILITARY SERVICE UPON COMPLETION OF FIVE YEARS OF  
26 SUBSEQUENT SERVICE TO THE MUNICIPALITY. THE TYPE OF SERVICE  
27 CREDIT FOR SUCH SERVICE SHALL BE DETERMINED BY THE DATE OF ENTRY  
28 OF THE MUNICIPALITY INTO THE SYSTEM. IF THE DATE OF THE MEMBER'S  
29 SEPARATION FROM MILITARY SERVICE IS PRIOR TO THE DATE ON WHICH  
30 THE MUNICIPALITY JOINED THE SYSTEM, THEN THE CREDIT PURCHASED

1 SHALL BE CONSIDERED AS PRIOR SERVICE CREDIT. IN THIS CASE THE  
2 AMOUNT DUE FROM THE MEMBER SHALL BE COMPUTED BY APPLYING THE  
3 MEMBER'S BASIC CONTRIBUTION RATE PLUS THE RATE OF CONTRIBUTION  
4 THE MUNICIPALITY PAID FOR CURRENT SERVICE DURING ITS FIRST YEAR  
5 OF ENTRY INTO THE SYSTEM TO HIS PRIOR SALARY AND MULTIPLYING THE  
6 RESULT BY THE NUMBER OF YEARS AND FRACTIONAL PART OF A YEAR OF  
7 CREDITABLE NONINTERVENING MILITARY SERVICE, PLUS INTEREST FROM  
8 THE DATE OF THE MEMBER'S EMPLOYMENT BY THE MUNICIPALITY TO THE  
9 DATE OF PURCHASE. THE AMOUNT DUE FROM THE MEMBER SHALL BE  
10 CERTIFIED BY THE BOARD IN ACCORDANCE WITH METHODS APPROVED BY  
11 THE ACTUARY, AND MAY BE PAID IN A LUMP SUM WITHIN THIRTY DAYS OR  
12 IT MAY BE AMORTIZED WITH ADDITIONAL INTEREST THROUGH SALARY  
13 DEDUCTIONS IN AMOUNTS AGREED UPON BY THE MEMBER AND THE BOARD.  
14 IF, ON THE OTHER HAND, THE DATE OF THE MEMBER'S SEPARATION FROM  
15 MILITARY SERVICE IS LATER THAN THE DATE OF ENTRY OF THE  
16 MUNICIPALITY INTO THE SYSTEM, THEN THE CREDIT PURCHASED SHALL BE  
17 CONSIDERED AS CURRENT SERVICE CREDIT. IN THIS CASE THE AMOUNT  
18 DUE FROM THE MEMBER SHALL BE COMPUTED BY APPLYING THE MEMBER'S  
19 BASIC CONTRIBUTION RATE PLUS THE MUNICIPALITY'S NORMAL  
20 CONTRIBUTION RATE FOR CURRENT SERVICE WHICH WAS IN EFFECT ON THE  
21 DATE OF THE MEMBER'S ENTRY INTO EMPLOYMENT WITH THE MUNICIPALITY  
22 TO HIS AVERAGE ANNUAL RATE OF COMPENSATION OVER THE FIRST FIVE  
23 YEARS OF HIS SUBSEQUENT EMPLOYMENT AND MULTIPLYING THE RESULT BY  
24 THE NUMBER OF YEARS AND FRACTIONAL PART OF A YEAR OF CREDITABLE  
25 NONINTERVENING MILITARY SERVICE BEING PURCHASED, PLUS INTEREST  
26 FROM THE DATE OF EMPLOYMENT BY THE MUNICIPALITY TO DATE OF  
27 PURCHASE.

28 THE AMOUNT DUE FROM THE MEMBER SHALL BE CERTIFIED BY THE  
29 BOARD IN ACCORDANCE WITH METHODS APPROVED BY THE ACTUARY, AND  
30 MAY BE PAID IN A LUMP SUM WITHIN THIRTY DAYS OR IT MAY BE

1 AMORTIZED WITH ADDITIONAL INTEREST THROUGH SALARY DEDUCTIONS IN  
2 AMOUNTS AGREED UPON BY THE MEMBER AND THE BOARD.

3 THE RATE OF INTEREST TO BE CHARGED TO MEMBERS ON THEIR  
4 PURCHASE OF CREDIT FOR INTERVENING OR NONINTERVENING MILITARY  
5 SERVICE SHALL BE THE RATE BEING CREDITED BY THE SYSTEM TO  
6 MEMBER'S CONTRIBUTION ACCOUNTS IN EFFECT ON THE DATE OF THE  
7 MEMBER'S APPLICATION, COMPOUNDED ANNUALLY.

8 A MEMBER MAY PURCHASE CREDIT FOR INTERVENING OR  
9 NONINTERVENING MILITARY SERVICE ONLY IF HIS DISCHARGE OR  
10 SEPARATION FROM THE SERVICE WAS GRANTED UNDER OTHER THAN  
11 DISHONORABLE CONDITIONS.

12 A MEMBER MAY NOT PURCHASE CREDIT FOR ANY MILITARY SERVICE FOR  
13 WHICH HE IS ENTITLED TO RECEIVE A RETIREMENT ALLOWANCE FROM THE  
14 UNITED STATES GOVERNMENT.

15 APPLICATIONS FOR PERMISSION TO PURCHASE CREDIT FOR MILITARY  
16 SERVICE MUST BE ACCOMPANIED BY PROOF OF THE NATURE OF HIS  
17 DISCHARGE OR SEPARATION FROM THE MILITARY SERVICE.

18 Section 306. Determination of Municipal Liability.--The  
19 actuary shall, as soon as may be, determine the present value of  
20 the liability of each municipality for the prior service credits  
21 to its original members, and shall establish an amount payable  
22 annually over a period not exceeding thirty years, through which  
23 payments such prior service liability may be funded. Each  
24 municipality shall have the option to spread the payment of such  
25 prior service liability over such period of years.

26 The municipal liability to be determined by the actuary shall  
27 be based upon credit for all years of prior service toward the  
28 municipal annuity of each original member.

29 The actuary shall also determine, from time to time, the  
30 amount which shall be contributed annually by each municipality,

1 for service credits of original and new members subsequent to  
2 the time the municipality joined the system, and the additional  
3 amount which shall be contributed annually by each municipality  
4 toward a reserve account for disability allowances payable to  
5 original and new members, in order that all future service  
6 liability may be fully funded on an actuarial basis.

7 The amounts so determined by the actuary may be expressed in  
8 a percentage of payroll of the municipality covering its  
9 contributing members.

10 The payments made by the State Treasurer to the treasurer of  
11 the municipality from moneys received from taxes paid upon  
12 premiums by foreign fire insurance companies for purposes of  
13 pension, retirement or disability benefits for municipal firemen  
14 shall be used as follows: (i) to reduce the unfunded liability  
15 or, after such liability has been funded, (ii) to apply against  
16 the annual obligation of the municipality for future service and  
17 disability reserve costs. It shall be the duty of the governing  
18 body to apply such payments in accordance with the provisions of  
19 this act.

20 The payments made by the State Treasurer to the treasurer of  
21 the municipality from the moneys received from taxes paid upon  
22 premiums by foreign casualty insurance companies for purposes of  
23 pension, retirement or disability benefits for municipal  
24 policemen shall be used as follows: (i) to reduce the unfunded  
25 liability or, after such liability has been funded, (ii) to  
26 apply against the annual obligation of the municipality for  
27 future service and disability reserve costs. It shall be the  
28 duty of the governing body to apply such payments in accordance  
29 with the provisions of this act.

30 The cost of making the valuations required by this section

1 and in the transfer of any existing pension system of any  
2 municipality, shall be part of the costs of administration of  
3 this act.

4 Section 307. Contributions by Members; Consolidation of  
5 Credits.--Each single coverage member of the system created  
6 under this Article III, shall be required to contribute to the  
7 fund such per cent of his actual salary or compensation as shall  
8 be computed by the actuary to be approximately sufficient to  
9 procure for him on superannuation retirement, a member's annuity  
10 of approximately one one-hundredth of his final salary for each  
11 year of service after the time the municipality by which he is  
12 employed joined the system. The member shall not be required to  
13 contribute more than eight per cent of his salary or  
14 compensation to the fund.

15 The amount of contribution by each joint coverage member  
16 shall be computed in the manner described above for a single  
17 coverage member, except that the amount of such deductions from  
18 salary or compensation shall be reduced with respect to wages  
19 (as defined in the Federal Insurance Contributions Act) by forty  
20 per cent of the tax on employes prescribed by the Federal  
21 Insurance Contributions Act exclusive of that portion of such  
22 tax attributable to disability coverage.

23 Members' contributions shall be paid into the fund by the  
24 municipality through payroll deductions in such manner and at  
25 such time as the board may by rule and regulation determine.

26 Section 308. Withdrawal; Return to Service; Death in  
27 Service.--(a) Should a contributor, before reaching  
28 superannuation retirement age, for any reason cease to be a  
29 municipal fireman or a municipal policeman, he shall be paid by  
30 the board the full amount of the accumulated deductions standing

1 to his credit in the member's account, unless he is entitled to  
2 vesting rights or to a retirement allowance for retirement not  
3 voluntarily, and elects to exercise such vesting rights or take  
4 such retirement allowance. Should such former contributor  
5 thereafter return to the service of the same municipality and  
6 restore to the fund, in such manner as may be agreed upon by  
7 such person and the board, his withdrawn accumulated deductions  
8 as they were at the time of his separation from service, his  
9 annuity rights as they existed at the time of separation from  
10 service shall be restored and his obligations as a member shall  
11 begin again.

12 (b) Should a contributor, having attained or passed  
13 superannuation age, elect, upon leaving the service of the  
14 municipality, not to claim the retirement allowance to which he  
15 is entitled, he shall, upon written application, be paid by the  
16 board the full amount of the accumulated deductions standing to  
17 his credit in the member's account.

18 (c) Should a person who has been retired on a retirement  
19 allowance under this act, return to employment on a regular  
20 full-time basis in the same municipality, his retirement  
21 allowance shall cease, and all his rights as they existed at the  
22 time of retirement shall be restored, and such person may by  
23 further service and further payroll deductions add to such  
24 rights on account of future retirement. For the purposes of this  
25 section if a person is reemployed on a temporary or seasonal  
26 basis and his gross post-retirement earnings from such  
27 reemployment during the calendar year are less than two thousand  
28 one hundred dollars (\$2,100) or such other maximum as the board  
29 may establish, he shall not be deemed reemployed, but if and  
30 when his gross post-retirement earnings exceed two thousand one

1 hundred dollars (\$2,100) or such other maximum as the board may  
2 establish in any calendar year he shall not be entitled to  
3 receive his retirement allowance for that month or any  
4 subsequent month in the calendar year in which he continues in  
5 service. The municipality is required to notify the board  
6 immediately of the reemployment status of any retired former  
7 employe and file separate monthly reports of his gross earnings  
8 as prescribed by the board.

9 (d) Should a contributor die while in service, prior to  
10 become eligible for a retirement allowance, his accumulated  
11 deductions shall be paid to his estate, or to such person, if  
12 living, as he shall have designated, in writing, filed with the  
13 board as his beneficiary. In case any contributor has failed to  
14 designate a beneficiary, or if the named beneficiary has  
15 predeceased the member and no successor beneficiary has been  
16 named, and upon the death in service shall have less than one  
17 hundred dollars (\$100) in accumulated deductions standing to his  
18 credit, the board may, if letters testamentary or of  
19 administration have not been taken out on his estate within six  
20 months after his death, pay such accumulated deductions on the  
21 claim of the undertaker, or to such person or municipality which  
22 shall have paid the claim of the undertaker.

23 Section 309. Superannuation Retirement.--Retirement for  
24 superannuation shall be as follows:

25 (1) Any contributor who has reached superannuation  
26 retirement age may retire for superannuation by filing with the  
27 board a written statement, duly attested, setting forth on what  
28 date he desires to be retired. Said application shall make the  
29 superannuation retirement allowance effective on the date so  
30 specified, if such application was filed in the office of the

1 board or deposited in the United States mail, addressed to the  
2 board, before the date specified in the application and before  
3 the death of the contributor, but the date so specified in the  
4 application shall not be more than ninety days after the date of  
5 filing, or the date the application was deposited in the mail.

6 (2) On retirement for superannuation, a contributor shall be  
7 entitled to a retirement allowance throughout his life, which  
8 shall consist of (i) a member's annuity of equivalent actuarial  
9 value to his accumulated deductions, and (ii) a municipal  
10 annuity which shall be equal to, for current service, one one-  
11 hundredth of his final salary for each year of service while a  
12 member, and, in addition thereto for prior service in the case  
13 of an original member, one one-hundredth of his prior salary for  
14 each year of prior service.

15 (3) The superannuation retirement allowance provided in this  
16 section or the withdrawal allowance provided in section 311, as  
17 the case may be, payable to a joint coverage member after the  
18 age at which social security old age insurance benefits become  
19 payable shall be reduced by an amount equal to forty per cent of  
20 the primary insurance amount of social security paid or payable  
21 to him. Such reduction shall be subject to the following  
22 provisions: (i) the reduction in benefits in accordance with  
23 this clause (3) shall not be applied in the case of an annuitant  
24 until age sixty-five, unless such annuitant shall have elected  
25 to receive social security benefits prior to age sixty-five,  
26 (ii) the eligibility of such member for the old age insurance  
27 benefit (primary insurance amount) and the amount of such old  
28 age insurance benefit upon which the reduction in his allowance  
29 shall be based, shall be determined by the board in accordance  
30 with the provisions of the Federal Social Security Act, in



1 effect on the effective date of superannuation retirement, or  
2 withdrawal, of the member, except that in determining such  
3 eligibility and such amount only wages or compensation for  
4 service covered by the system shall be included, (iii) the  
5 reduction in benefits in accordance with this clause (3) shall  
6 apply only to that portion of benefits based on wages as defined  
7 in the Federal Insurance Contribution Act, (iv) the reduction of  
8 benefits in accordance with this clause (3) shall be limited to  
9 the municipal annuity calculated in accordance with clause (2)  
10 of this section, (v) the total sum including social security old  
11 age insurance benefits to be received upon superannuation  
12 retirement or withdrawal by a joint coverage member shall not be  
13 less than the allowance that he would be paid as a single  
14 coverage member, (vi) whenever the amount of the reduction from  
15 the superannuation retirement allowance or the withdrawal  
16 allowance shall have been once determined, it shall remain fixed  
17 for the duration of the allowance, except that any decrease in  
18 the old age insurance benefit under the Federal Social Security  
19 Act shall result in a corresponding decrease in the amount of  
20 the reduction in the allowance, (vii) the reduction provided for  
21 in this clause (3) shall not apply to disability allowances  
22 payable under section 313 of this act.

23 (4) In no event shall the municipal annuity exceed fifty per  
24 cent of the contributor's final salary.

25 (5) Other provisions of this act notwithstanding, any member  
26 of a police force who was a member of a pension fund created  
27 under the provisions of the act of May 29, 1956 (P.L.1804,  
28 No.600), and who was entitled to retire at the age of fifty-five  
29 or sixty years after twenty years of total service, or at the  
30 age of fifty or fifty-five after twenty-five years of service,

1 and to receive the pension provided by that act, shall have the  
2 same entitlement under the system created pursuant to this act.  
3 The municipal annuity, computed under subclause (ii) of clause  
4 (3) above, shall be increased as needed, in addition to the  
5 member's annuity, in order to pay any increased retirement  
6 allowance resulting from the provisions of the act.

7 Section 310. Death Benefits.--(a) A contributor to the  
8 system who is entitled to a superannuation retirement allowance  
9 by reason of having reached superannuation retirement age or who  
10 is entitled to a withdrawal allowance by reason of having  
11 completed twenty-four years of total service, may file with the  
12 board a written application for retirement in the form required  
13 for such application, but requesting that such retirement shall  
14 become effective as of the time of his death, electing one of  
15 the options provided in section 312 of this act and nominating a  
16 person having an insurable interest in his life under said  
17 option as required in said section. In all such cases, the  
18 application shall be held by the board until the contributor  
19 shall file a later application in the usual manner for a  
20 superannuation retirement allowance or until the death of the  
21 contributor occurring while in the municipal service, at which  
22 time his retirement shall become effective with the same  
23 benefits to the person designated as if the contributor had  
24 retired on the day immediately preceding his death.

25 (b) A contributor to the system who is entitled to a  
26 superannuation retirement allowance by reason of having reached  
27 superannuation retirement age or who is entitled to a withdrawal  
28 allowance by reason of having completed twenty-four years of  
29 service and who has died in municipal service before filing with  
30 the board a written application for a superannuation retirement

1 allowance as provided in subsection (a) of this section shall be  
2 considered as having elected Option 1 as provided in section 312  
3 as of the date of his death. In such event, payment under Option  
4 1 shall be made to the beneficiary designated in the nomination  
5 of beneficiary form on file with the board, or if said  
6 beneficiary has predeceased the contributor, to the legal  
7 representative of said contributor.

8 Section 311. Early Retirement.--Should a contributor be  
9 discontinued from service not voluntarily after having completed  
10 eight years of total service, or voluntarily after having  
11 completed twenty-four years of total service, but in either  
12 event before reaching superannuation retirement age, he shall be  
13 paid as he may elect, as follows:

14 (1) The full amount of his accumulated deductions standing  
15 to his credit in the member's account of the fund; or

16 (2) Upon the filing of an application in the manner outlined  
17 in section 309 (a) a retirement allowance which shall consist of  
18 (i) a member's annuity of equivalent actuarial value to his  
19 accumulated deductions, and (ii) a municipal annuity of  
20 equivalent actuarial value to the present value of a municipal  
21 annuity, beginning at superannuation retirement age, calculated  
22 in accordance with the provisions of section 309; or

23 (3) If qualified, a deferred retirement allowance as  
24 provided in section 314.

25 Section 312. Options on Superannuation or Early  
26 Retirement.--At the time of his superannuation or early  
27 retirement, a contributor may elect to receive his benefits in a  
28 retirement allowance payable throughout his life, which shall be  
29 known as a single life annuity, or instead, he may elect, to  
30 receive the actuarial equivalent value at that time of his

1 retirement allowance in a lesser allowance, payable throughout  
2 life with provisions that:

3 (1) Option 1. If he shall die before receiving in payments  
4 the present value of his retirement allowance as it was at the  
5 time of his retirement, the balance, if less than five thousand  
6 dollars (\$5,000) shall be paid in a lump sum to his legal  
7 representative, or to or in trust for his beneficiary. If the  
8 balance is five thousand dollars (\$5,000) or more, the  
9 beneficiary may elect by application duly acknowledged and filed  
10 with the board to receive payment of such balance according to  
11 any of the following provisions: (i) a lump sum payment, (ii) an  
12 annuity having a present value equal to the balance payable,  
13 (iii) a lump sum payment and an annuity. Such annuity shall be  
14 of equivalent actuarial value to the balance payable less the  
15 amount of the lump sum payment specified by the beneficiary.

16 (2) Option 2. Upon his death his retirement allowance shall  
17 be continued throughout the life of and paid to his survivor  
18 annuitant, if then living.

19 (3) Option 3. Upon his death, one-half of his retirement  
20 allowance shall be continued throughout the life of and paid to  
21 his survivor annuitant, if then living.

22 Section 313. Disability Retirement.--(a) After a contributor  
23 has had ten or more years of total service, he may, upon  
24 application or on application of one acting in his behalf, or  
25 upon application of a head of the department of the municipality  
26 by which he is employed, be retired by the board on a disability  
27 allowance if he is under superannuation retirement age, and on a  
28 superannuation retirement allowance if he has attained or passed  
29 such age, if the physician designated by the board, after  
30 medical examination of the contributor made at the place of

1 residence of the contributor or at a place mutually agreed upon,  
2 shall certify to the board that the contributor is unable to  
3 engage in any gainful employment and that said contributor ought  
4 to be retired. When the disability of a contributor is  
5 determined to be service-connected, as defined in this act, no  
6 minimum period of service shall be required for eligibility.  
7 Application filing requirements shall be identical to those  
8 outlined in clause (1) of section 309.

9 (b) On retirement for disability, a member shall receive a  
10 retirement allowance which shall consist of:

11 (1) A member's annuity of equivalent actuarial value to his  
12 accumulated deductions;

13 (2) A municipal annuity of equivalent actuarial value to the  
14 present value of a municipal annuity, beginning at  
15 superannuation retirement age, calculated in accordance with the  
16 provisions of section 309; and

17 (3) A disability annuity payable from the total disability  
18 reserve account which, together with the member's annuity and  
19 the municipal annuity, shall be sufficient to produce a  
20 retirement allowance of thirty per cent of the contributor's  
21 final salary. Where the disability of the member is determined  
22 to be service-connected, as defined in this act, the retirement  
23 allowance shall equal fifty per cent of his final salary. The  
24 disability annuity shall be reduced by the amount of any  
25 payments for which the member shall be eligible under the act of  
26 June 2, 1915 (P.L.736, No.338), known as "The Pennsylvania  
27 Workmen's Compensation Act," or the act of June 21, 1939  
28 (P.L.566, No.284), known as "The Pennsylvania Occupational  
29 Disease Act."

30 (c) Once every year the board may require any disability

1 annuitant, while still under superannuation retirement age, to  
2 undergo medical examination by a physician designated by the  
3 board, and such examination shall be made at the place of  
4 residence of the annuitant or other place mutually agreed upon.  
5 Should the physician report and certify to the board that such  
6 disabled annuitant is no longer physically or mentally  
7 incapacitated for the performance of duty and is able to engage  
8 in a gainful occupation, then his disability retirement  
9 allowance shall be discontinued, and in lieu thereof an early  
10 involuntary retirement allowance shall at that time be granted  
11 as if such person had been retired not voluntarily, if such  
12 person shall have eight or more years of total service.

13 (d) Should a disability annuitant, while under  
14 superannuation retirement age, refuse to submit to at least one  
15 medical examination in any year by a physician designated by the  
16 board, his disability retirement allowance shall be discontinued  
17 until withdrawal of such refusal, and should such refusal  
18 continue for one year, then all his rights in and to any  
19 disability retirement allowance or for early involuntary  
20 retirement allowance provided by this act shall be forfeited.

21 (e) Any contributor entitled to retire for disability may,  
22 in lieu of such retirement, if he has eight or more years of  
23 total service, elect to retire not voluntarily under the  
24 provisions of this act.

25 (f) Should a disability annuitant die before the total  
26 disability retirement allowance received shall be at least equal  
27 to the amount of his accumulated deductions at the time of  
28 disability retirement, then the board shall pay to the named  
29 beneficiary, if living, or if the named beneficiary predeceased  
30 the annuitant, or no beneficiary was named, then to the

1 annuitant's estate, an amount equal to the difference between  
2 such total retirement allowance received and the annuitant's  
3 accumulated deductions, and if such difference is less than one  
4 hundred dollars (\$100) and no letters have been taken out on the  
5 estate within six months after death, then such difference may  
6 be paid to the undertaker or to any person or municipality who  
7 or which shall have paid the claim of the undertaker.

8 Section 314. Vesting.--(a) Should a contributor, before  
9 reaching superannuation retirement age and after having  
10 completed twelve years of total service, for any reason cease to  
11 be a municipal fireman or a municipal policeman, he shall be  
12 entitled to vest his retirement benefits until he attains  
13 superannuation retirement age, by filing with the board a  
14 written notice of his intentions to vest, within ninety days of  
15 the date of his termination.

16 (b) A contributor, who was terminated not voluntarily, may  
17 elect, after he has vested, to be paid as follows:

18 (1) The full amount of the accumulated deductions, including  
19 interest to the date of termination, standing to his credit in  
20 the member's account of the fund; or

21 (2) An early retirement allowance as computed under the  
22 provisions of clause (2) of section 311; or

23 (3) Upon reaching superannuation retirement age, a  
24 superannuation retirement allowance as computed under the  
25 provisions of section 309.

26 (c) A contributor, who voluntarily terminated his service,  
27 may elect, after he has vested, to be paid as follows:

28 (1) The full amount of the accumulated deductions, including  
29 interest to the date of termination, standing to his credit in  
30 the member's account of the fund; or

1 (2) If the contributor has completed twenty-four years or  
2 more of total service, a voluntary withdrawal allowance computed  
3 in accordance with the provisions of section 311; or

4 (3) Upon reaching superannuation retirement age, a  
5 superannuation retirement allowance as computed under the  
6 provisions of section 309.

7 (d) Should a contributor, who has vested, die before he  
8 becomes eligible for a retirement allowance, the full amount of  
9 the accumulated deductions, including interest to the date of  
10 his termination, standing to his credit in the member's account  
11 of the fund shall be paid to his estate or to his named  
12 beneficiary in accordance with the provisions of subsection (d)  
13 of section 308.

14 Section 315. Compliance.--When a municipality joins the  
15 system, its action shall be construed as compliance with the  
16 provisions of the act of May 29, 1956 (P.L.1804, No.600), or any  
17 other statute requiring the creation of a pension or retirement  
18 system for firemen or police.

19 ~~Section 316. Withdrawal Provisions. No municipality, after~~ <—  
20 ~~it has joined the system under the provisions of this Article~~  
21 ~~III, shall be permitted to withdraw therefrom, except as~~  
22 ~~hereinafter provided, and in any case of failure to make~~  
23 ~~payments as required by this act, the Commonwealth shall withhold~~  
24 ~~payments to the municipality of any funds to which the~~  
25 ~~municipality may be entitled for pension purposes. The board may~~  
26 ~~recover any sums due to the fund by suit at law or other~~  
27 ~~appropriate remedy. Any municipality may withdraw from the~~  
28 ~~retirement system if (i) the fire department or the police~~  
29 ~~department is abolished, or (ii) if the municipality is~~  
30 ~~completely annexed by or consolidated with another municipality,~~



1 ~~or (iii) if an ordinance signifying an intention to withdraw is~~  
2 ~~approved by an affirmative vote of seventy five per cent of the~~  
3 ~~entire membership of the municipal legislative body: Provided,~~  
4 ~~That where the legislative body consist of only three persons,~~  
5 ~~the ordinance or resolution shall be approved by a unanimous~~  
6 ~~vote: And provided further, That in the case of (iii) the~~  
7 ~~withdrawal ordinance shall not become effective without the~~  
8 ~~affirmative vote of seventy five per cent of the municipal~~  
9 ~~firemen or the municipal police, as the case may be, affected by~~  
10 ~~the ordinance.~~

11 ~~In any such withdrawal, the election to withdraw shall be~~  
12 ~~deemed to have been made at the time the municipality elected to~~  
13 ~~withdraw or the members approved the withdrawal, as the case may~~  
14 ~~be, and the liabilities of the municipality and the rights and~~  
15 ~~privileges of the members shall be fixed accordingly. No member~~  
16 ~~who becomes entitled to a benefit or who is receiving a benefit~~  
17 ~~under the provisions of this act shall be deprived of or lose~~  
18 ~~such benefit as a result of such withdrawal.~~

19 ~~When a municipality elects to withdraw from the system~~  
20 ~~created by this Article III, by an ordinance approved by~~  
21 ~~seventy five per cent or more of the entire membership, of its~~  
22 ~~governing body, and such withdrawal is approved by an~~  
23 ~~affirmative vote of seventy five per cent of the municipal~~  
24 ~~firemen or the municipal police of such municipality, as the~~  
25 ~~case may be, the municipality shall, at the time of its election~~  
26 ~~to withdraw, again be subject to any act of the General Assembly~~  
27 ~~of this Commonwealth which requires the creation of a pension or~~  
28 ~~retirement system for firemen or police. In any such withdrawal,~~  
29 ~~provisions shall be made to credit to the accumulated deductions~~  
30 ~~of each member at least the amount he has paid into the member's~~

1 ~~account of the retirement fund created by this act, which moneys~~  
2 ~~shall be transferred to and credited to his account in a~~  
3 ~~retirement or pension fund established by the municipality after~~  
4 ~~its withdrawal from the system created by this Article III.~~

5 ~~No liability, on account of retirement or disability~~  
6 ~~allowance being paid from the fund, shall attach against the~~  
7 ~~fund unless the board specifically agrees to accept such~~  
8 ~~liability, in which case adequate reserves, as determined by the~~  
9 ~~board, shall be retained in the fund to continue such payments.~~  
10 ~~If the board does not agree to accept liability to continue the~~  
11 ~~payment of such allowances, the liability shall attach against~~  
12 ~~the municipality and be paid from funds transferred to a~~  
13 ~~retirement system established subsequent to its withdrawal from~~  
14 ~~the system or from moneys appropriated annually from tax~~  
15 ~~revenues sufficient to pay the same.~~

16 SECTION 316. WITHDRAWAL PROVISIONS.--AT ANY TIME WITHIN <—  
17 THREE YEARS AFTER A MUNICIPALITY HAS INITIALLY JOINED THE  
18 RETIREMENT SYSTEM CREATED OR CONTINUED UNDER THIS ARTICLE III IT  
19 MAY WITHDRAW FROM THE SYSTEM IF IT HAS MET ALL OF ITS FINANCIAL  
20 OBLIGATIONS TO THE FUND. THE MEMBER'S CONTRIBUTIONS OF THE  
21 WITHDRAWING MUNICIPALITY'S EMPLOYEES SHALL BE RETURNED TO THE  
22 MEMBERS. NO REFUND OF ANY CONTRIBUTIONS PAID BY THE MUNICIPALITY  
23 SHALL BE MADE AND THESE MONEYS SHALL REMAIN IN THE PENNSYLVANIA  
24 MUNICIPAL RETIREMENT FUND FOR THE BENEFIT OF THE REMAINING  
25 MEMBERS. ANY SUCH WITHDRAWAL MUST BE EFFECTED THROUGH AN  
26 ORDINANCE OR RESOLUTION CONTAINING THE AFFIRMATIVE VOTE OF  
27 SEVENTY-FIVE PER CENT OF ALL OF THE MEMBERS OF ITS LEGISLATIVE  
28 BODY AND IF THE LEGISLATIVE BODY IS COMPOSED OF ONLY THREE  
29 PERSONS, THEN BY AN UNANIMOUS AFFIRMATIVE VOTE. IN ALL CASES AN  
30 AFFIRMATIVE VOTE APPROVING SUCH ACTION BY SEVENTY-FIVE PER CENT

1 OF THE MUNICIPAL EMPLOYEES AFFECTED BY THE ORDINANCE OR  
2 RESOLUTION MUST BE CERTIFIED BY THE MUNICIPALITY TO THE BOARD.

3 THEREAFTER, NO MUNICIPALITY, AFTER IT HAS JOINED THE SYSTEM  
4 UNDER THE PROVISIONS OF THIS ARTICLE III, SHALL BE PERMITTED TO  
5 WITHDRAW THEREFROM, AND, IN THE CASE OF FAILURE TO MAKE PAYMENTS  
6 AS REQUIRED BY THIS ACT, THE COMMONWEALTH SHALL WITHHOLD PAYMENT  
7 TO THE MUNICIPALITY ANY FUNDS TO WHICH THE MUNICIPALITY MAY BE  
8 ENTITLED FOR PENSION PURPOSES. THE BOARD MAY RECOVER ANY SUMS  
9 DUE TO THE FUND BY SUIT AT LAW, OR OTHER APPROPRIATE REMEDY.

10 Section 317. Procedures for Amending Contracts.--Any  
11 municipality which has joined the system under the provisions of  
12 this Article III may, with the approval of the board, enter into  
13 a contract with the board as outlined in Article IV of this act,  
14 to increase any of the benefits enumerated in Article IV. The  
15 board shall not enter into any contract with any municipality  
16 which decreases benefits, nor shall it enter into any contract  
17 with a municipality which provides for benefits in excess of or  
18 minimum members contribution rates less than those available to  
19 it under any other existing law pertaining to the establishment  
20 of retirement systems for that class of municipality. Before the  
21 board approves any such contract it shall first determine,  
22 through its actuary, that the plan outlined in the contract is  
23 actuarially sound. Any member municipality which elects to enter  
24 into a contract for increased benefits which would result in an  
25 increase in its employes contribution rates shall first obtain  
26 the written consent of at least seventy-five per cent of its  
27 then member employes. Additional costs for contracted increases  
28 in benefits shall become the responsibility of the municipality  
29 and/or the members as specified in the contract.

30

ARTICLE IV

1                   OPTIONAL RETIREMENT PLANS

2           Section 401. Purpose.--This article shall provide for the  
3 enrollment of those municipalities in the Pennsylvania Municipal  
4 Retirement System which want to offer retirement benefits to  
5 their employes different from those available under Article II  
6 and Article III of this act. It shall also provide for  
7 increasing member benefits for municipalities formerly enrolled  
8 under the provisions of Article II and Article III of this act.

9           ~~Section 402. Compulsory and Optional Membership. If a~~           <—

10          SECTION 402. EXISTING LOCAL RETIREMENT SYSTEMS AND           <—  
11 COMPULSORY AND OPTIONAL MEMBERSHIP.--WHERE A MUNICIPALITY ELECTS  
12 TO JOIN THE SYSTEM ESTABLISHED BY THIS ACT, AND IS THEN  
13 MAINTAINING A RETIREMENT OR PENSION SYSTEM OR SYSTEMS COVERING  
14 ITS EMPLOYES IN WHOLE OR IN PART, THOSE EMPLOYES SO COVERED, AND  
15 EMPLOYES THEREAFTER ELIGIBLE TO JOIN SUCH PENSION SYSTEM, SHALL  
16 NOT BECOME MEMBERS OF THE RETIREMENT SYSTEM ESTABLISHED BY THIS  
17 ACT, UNLESS AT THE TIME THE MUNICIPALITY ELECTS TO JOIN THE  
18 SYSTEM, THE MEMBERS OF SUCH EXISTING RETIREMENT OR PENSION  
19 SYSTEM SHALL, BY THE AFFIRMATIVE VOTE OF SEVENTY-FIVE PER CENT  
20 OF ALL THE MEMBERS THEREOF, ELECT TO BE COVERED BY THE  
21 RETIREMENT SYSTEM ESTABLISHED BY THIS ACT. AT ANY TIME  
22 THEREAFTER, WITHIN A PERIOD OF THREE YEARS AFTER THE  
23 MUNICIPALITY HAS ELECTED TO JOIN THE SYSTEM, BUT NOT THEREAFTER,  
24 THE MEMBERS OF AN EXISTING RETIREMENT OR PENSION SYSTEM MAY, IN  
25 LIKE MANNER, ELECT TO JOIN THE SYSTEM ESTABLISHED BY THIS ACT.  
26 IN ANY SUCH CASE, PROVISIONS MAY BE MADE FOR THE TRANSFER OF  
27 MONEYS AND SECURITIES IN ITS RETIREMENT OR PENSION FUND OR  
28 YEARS.

29          NO LIABILITY, ON ACCOUNT OF RETIREMENT ALLOWANCES OR PENSIONS  
30 BEING PAID FROM ANY RETIREMENT OR PENSION FUND OF THE

1 MUNICIPALITY, SHALL ATTACH AGAINST THE FUND, EXCEPT AS PROVIDED  
2 IN THE AGREEMENT, MAKING A TRANSFER OF AN EXISTING SYSTEM IN  
3 ACCORDANCE WITH THIS SECTION. THE LIABILITY TO CONTINUE PAYMENT  
4 OF PENSIONS NOT SO TRANSFERRED SHALL ATTACH AGAINST THE  
5 MUNICIPALITY, WHICH SHALL ANNUALLY MAKE APPROPRIATIONS FROM ITS  
6 TAX REVENUES SUFFICIENT TO PAY THE SAME. IN CASES WHERE WORKERS  
7 COVERED BY AN EXISTING RETIREMENT OR PENSION SYSTEM ELECT TO  
8 JOIN THE SYSTEM CREATED BY THIS ACT, THE ELECTION TO JOIN SHALL  
9 BE DEEMED TO HAVE BEEN MADE AT THE TIME THE MUNICIPALITY ELECTED  
10 TO JOIN THE SYSTEM, AND THE LIABILITIES OF THE MUNICIPALITY  
11 SHALL BE FIXED ACCORDINGLY.

12 IF A municipality elects to join the system under the  
13 provisions of this Article IV, it shall first negotiate a  
14 contract with the board, acceptable to both the municipality and  
15 the board, which shall set forth all the specific details of  
16 municipal and member contribution rates and benefits. The  
17 municipality shall then pass an ordinance or resolution electing  
18 to join the system, and confirming the terms of the contract by  
19 reference thereto. Separate contracts and separate resolutions  
20 shall be executed for each class of employes, namely municipal  
21 employes, municipal firemen and municipal police in those cases  
22 where the municipality elects to bring more than one class of  
23 its employes into the system.

24 When a municipality elects to enroll its municipal employes  
25 into the system, then each officer other than elected officers,  
26 and each municipal employe thereof, employed on a permanent  
27 basis, shall be required to become a member of the system. Each  
28 municipality shall determine whether membership in said system  
29 for elected officials and employes hired on a temporary or  
30 seasonal basis shall be compulsory, optional or prohibited.

1 Where membership may be optional with an elected officer or an  
2 employe hired on a temporary or seasonal basis, an election to  
3 join the system must be made within one year after the  
4 municipality elected to join the system or within one year after  
5 the officer or temporary or seasonal employe first entered the  
6 service of the municipality. Officers and employes paid only on  
7 a fee basis shall not be eligible to join the system.

8 When a municipality elects to enroll its municipal firemen or  
9 its municipal police into the system, then each municipal  
10 fireman or each municipal policeman, as defined in section 102  
11 of this act, shall be required to become a member of the system.

12 When a municipality has established a policy of placing new  
13 employes on a probationary status it may elect to refrain from  
14 enrolling such employes into the system for a period of up to  
15 six months from the date the probationary employe first entered  
16 the service of the municipality. In such cases service credits  
17 shall not be earned by the employe for probationary time served  
18 prior to enrollment.

19 Section 403. Contract Provisions.--Any contract for an  
20 optional retirement plan entered into between a municipality and  
21 the board shall not provide for any benefits in excess of or  
22 minimum member's contribution rates less than those available to  
23 that municipality for that class of employes under any existing  
24 law pertaining to the establishment of a retirement or pension  
25 system.

26 The contract shall specifically state the following terms and  
27 conditions:

28 (1) The superannuation retirement age at which a member  
29 shall become eligible for a full normal retirement allowance in  
30 accordance with the formula specified in the contract.

1 (2) Length of service requirements which must be met before  
2 a member becomes eligible for either a superannuation retirement  
3 allowance, an early retirement allowance and the method of  
4 determining any reduction factors involved in the computation of  
5 the amount of the allowance because of retirement prior to  
6 attaining superannuation age.

7 (3) Provisions for the refunding of accumulated deductions  
8 to employes who leave the service of the municipality before  
9 they become eligible for any type of retirement benefit and  
10 whether or not the employe shall be entitled to interest earned  
11 on contributions.

12 (4) Provisions relating to the types and amounts of  
13 disability retirement benefits for which a member may become  
14 eligible, and the qualifications therefore.

15 (5) The availability of any vesting or deferred benefits to  
16 which a member may become entitled.

17 (6) A description of the amount and the manner in which a  
18 member may qualify for any death benefits, both before and after  
19 retirement, including any prescribed payments to widows or  
20 children under eighteen years of age.

21 (7) The formula used to determine the amount of normal  
22 retirement benefits, including an explanation of the salary or  
23 compensation to be used in the computations, and a statement  
24 concerning any social security offset provisions included in the  
25 contract.

26 (8) A description of any optional methods of payment of  
27 retirement allowances available to a member.

28 (9) Any provisions for cost-of-living increases, and  
29 limitations thereon, which may be included.

30 (10) The manner in which the rate or rates of employe

1 contributions shall be determined, together with any provisions  
2 for additional voluntary contributions.

3 (11) The manner in which the rates of contribution from the  
4 municipalities shall be determined.

5 (12) The manner in which costs for prior service for which  
6 the municipality is willing to assume liability shall be  
7 determined, with respect to both the municipality's share and  
8 the member's share, if any.

9 ~~(13)~~ (13) THE MANNER IN WHICH CREDIT FOR ANY ALLOWABLE  
10 MILITARY SERVICE SHALL BE DETERMINED AND THE MANNER IN WHICH  
11 COSTS OF SERVICE SHALL BE PAID. ←

12 (14) Any other information which might have a bearing on the  
13 costs or benefits of the retirement plan which might be required  
14 by the board in the administration of the plan.

15 Section 404. Determination of Municipal Liability.--The  
16 actuary shall, as soon as may be, determine the present value of  
17 the liability of each municipality for any prior service credits  
18 it has elected to extend to its original members, and shall  
19 establish an amount payable annually over a period not exceeding  
20 thirty years, through which payments such prior service  
21 liability may be funded. Each municipality shall have the option  
22 to spread the payment of such prior service liability over such  
23 period of years.

24 The municipal liability to be determined by the actuary shall  
25 be based upon credit for those years of prior service toward the  
26 municipal annuity of each original member, for which the  
27 municipality has agreed to pay, plus any liability for payment  
28 of the member's contributions for the prior service or any  
29 portion thereof of each original member which the municipality  
30 has agreed to pay.



1 The actuary shall also determine, from time to time, the  
2 amount which shall be contributed annually by each municipality  
3 for service credits of original and new members subsequent to  
4 the time the municipality joined the system, and the additional  
5 amount which shall be contributed annually by each municipality  
6 toward a reserve account for disability allowance payable to  
7 original and new members, in order that all future service  
8 liability may be fully funded on an actuarial basis.

9 The amounts so determined by the actuary may be expressed in  
10 a percentage of the payroll of the municipality covering its  
11 contributing members.

12 The payments made by the State Treasurer to the treasurer of  
13 the municipality from moneys received from taxes paid upon  
14 premiums by foreign fire insurance companies for purposes of  
15 pension, retirement or disability benefits for municipal firemen  
16 shall be used as follows: (i) to reduce the unfunded liability  
17 or, after such liability has been funded, (ii) to apply against  
18 the annual obligation of the municipality for future service and  
19 disability reserve costs, and (iii) to reduce member  
20 contributions. It shall be the duty of the governing body to  
21 apply such payments in accordance with the provisions of this  
22 act.

23 The payments made by the State Treasurer to the treasurer of  
24 the municipality from the moneys received from taxes paid upon  
25 premiums by foreign casualty insurance companies for purposes of  
26 pension, retirement or disability benefits for municipal  
27 policemen shall be used as follows: (i) to reduce the unfunded  
28 liability or, after such liability has been funded, (ii) to  
29 apply against the annual obligation of the municipality for  
30 future service and disability reserve costs, and (iii) to reduce

1 member contributions. It shall be the duty of the governing body  
2 to apply such payments in accordance with the provisions of this  
3 act.

4 The cost of making the valuations required by this section  
5 and in the transfer of any existing pension system of any  
6 municipality, shall be part of the costs of administration of  
7 this act.

8 Section 405. Contributions by Members; Consolidation of  
9 Credits; Change of Employment.--Each member of the system shall  
10 be required to contribute to the fund such per cent of his  
11 actual salary or compensation, including fees where paid in part  
12 on a fee basis, as specified in the contract, which  
13 contributions shall be paid into the fund by the municipality  
14 through payroll deductions in such manner and at such time as  
15 the board may by rule and regulation determine.

16 If such provision is contained in the contract between the  
17 municipality and the board, each member may increase his  
18 member's annuity by electing to make such additional voluntary  
19 contributions as prescribed therein.

20 When a member is employed by more than one municipality, he  
21 shall be required to make contributions on account of his salary  
22 paid by each municipality. In such cases the board shall provide  
23 for the consolidation of credits of the contributor, and upon  
24 his retirement, for a consolidated retirement allowance.

25 When a contributor leaves the employ of a municipality which  
26 has joined the system, and enters into the employ of another  
27 municipality which has also joined the system, his service  
28 credits shall remain unimpaired, but in such cases any unpaid  
29 municipal liability for prior service shall be prorated by the  
30 board between the municipalities on an equitable basis.

1 Section 406. Withdrawal; Return to Service; Death in  
2 Service.--(a) Should a contributor, before reaching  
3 superannuation retirement age, for any reason terminate his  
4 employment with the municipality, he shall receive a refund of  
5 his contributions in full, either with or without interest  
6 earned as specified in the contract, unless he may be entitled  
7 to a retirement allowance for early retirement, and elects to  
8 take such retirement allowance. Should such former contributor  
9 thereafter return to the service of the same municipality and  
10 restore to the fund in such manner as may be agreed upon by such  
11 person and the board, his withdrawn contributions as they were  
12 at the time of his separation from service, his annuity rights  
13 as they existed at the time of separation from service, shall be  
14 restored and his obligations as a member shall begin again. The  
15 rate of contribution of such returning member shall be the same  
16 as it was at the time he separated from service.

17 (b) Should a contributor, having attained or passed  
18 superannuation age, elect, upon leaving the service of the  
19 member municipality, not to claim the retirement allowance to  
20 which he is entitled, he shall, upon written application, be  
21 paid by the board the full amount of his contributions standing  
22 to his credit in the member's account, either with or without  
23 interest earned as stipulated in the contract.

24 (c) Should a person who has been retired on a retirement  
25 allowance under this act, return to employment on a regular  
26 full-time basis in the same municipality, his retirement  
27 allowance shall cease, and all his rights as they existed at the  
28 time of retirement shall be restored, and such person may by  
29 further service and further payroll deductions add to such  
30 rights on account of future retirement. For the purposes of this

1 section if a person is reemployed on a temporary or seasonal  
2 basis and his gross post-retirement earnings from such  
3 reemployment during the calendar year are less than two thousand  
4 one hundred dollars (\$2,100) or such other maximum as the board  
5 may establish, he shall not be deemed reemployed, but if and  
6 when his gross post-retirement earnings exceed two thousand one  
7 hundred dollars (\$2,100) or such other maximum as the board may  
8 establish in any calendar year he shall not be entitled to  
9 receive his retirement allowance for that month or any  
10 subsequent month in the calendar year in which he continues in  
11 service. The municipality is required to notify the board  
12 immediately of the reemployment status of any retired former  
13 employe and file separate monthly reports of his gross earnings  
14 as prescribed by the board.

15 (d) Should a contributor die while in service, any death or  
16 survivor benefits for which he may be eligible under the  
17 provisions of the contract shall be paid in accordance with the  
18 terms of the contract.

19 (e) Should a contributor die while in service, and before  
20 becoming eligible for any other benefits contained in the  
21 contract, the full amount of his contributions, either with or  
22 without interest earned as stipulated in the contract, shall be  
23 paid to his estate, or to such person, if living, as he shall  
24 have designated in writing, filed with the board as his  
25 beneficiary. In case any contributor has failed to designate a  
26 beneficiary, or if the named beneficiary has predeceased the  
27 member and no such successor beneficiary has been named, and  
28 upon the death in service shall have less than one hundred  
29 dollars (\$100) in accumulated deductions standing to his credit,  
30 the board may, if letters testamentary or of administration have

1 not been taken out on his estate within six months after death,  
2 pay such accumulated deductions on the claim of the undertaker,  
3 or to any person or municipality which shall have paid the claim  
4 of the undertaker.

5 Section 407. Superannuation Retirement.--Retirement for  
6 superannuation shall be as follows:

7 (1) Any contributor who has reached superannuation  
8 retirement age may retire for superannuation by filing with the  
9 board a written statement, duly attested, setting forth on what  
10 date he desires to be retired. Said application shall make the  
11 superannuation retirement allowance effective on the date so  
12 specified, if such application was filed in the office of the  
13 board or deposited in the United States mail, addressed to the  
14 board, before the date specified in the application and before  
15 the death of the contributor, but the date so specified in the  
16 application shall not be more than ninety days after the date of  
17 filing, or the date the application was deposited in the mail.

18 (2) On retirement for superannuation, a contributor shall be  
19 entitled to a retirement allowance throughout his life, which  
20 shall consist of an amount computed in accordance with the  
21 formula specified in the contract.

22 Section 408. Early Retirement.--Should a member be  
23 discontinued from service not voluntarily, after having  
24 completed a required number of years of total service, or  
25 voluntarily after having completed a required number of years of  
26 total service, but in either event before reaching  
27 superannuation retirement age, he shall be paid, as he may  
28 elect, as follows:

29 (1) The full amount of the accumulated deductions standing  
30 to his credit in the member's account of the fund; or

1 (2) The early retirement allowance, if any, specified in the  
2 contract.

3 Section 409. Options on Superannuation or Early  
4 Retirement.--At the time of his superannuation or early  
5 retirement, a contributor may elect to receive his benefits in a  
6 retirement allowance payable throughout his life, which shall be  
7 known as a single life annuity, or instead, he may elect to  
8 receive the actuarial equivalent at that time of his retirement  
9 allowance in a lesser allowance, payable throughout life with  
10 provisions that:

11 (1) Option 1. If he shall die before receiving in payments  
12 the present value of his retirement allowance as it was at the  
13 time of his retirement, the balance, if less than five thousand  
14 dollars (\$5,000), shall be paid in a lump sum to his legal  
15 representative, or to or in trust for his beneficiary. If the  
16 balance is five thousand dollars (\$5,000) or more, the  
17 beneficiary may elect by application duly acknowledged and filed  
18 with the board to receive payment of such balance according to  
19 any one of the following provisions: (i) a lump sum payment,  
20 (ii) an annuity having a present value equal to the balance  
21 payable, (iii) a lump sum payment and an annuity. Such annuity  
22 shall be of equivalent actuarial value to the balance payable  
23 less the amount of the lump sum payment specified by the  
24 beneficiary.

25 (2) Option 2. Upon his death, his retirement allowance  
26 shall be continued throughout the life of and paid to his  
27 survivor annuitant, if then living.

28 (3) Option 3. Upon his death, one-half of his retirement  
29 allowance shall be continued throughout the life of and paid to  
30 his survivor annuitant, if then living.

1 (4) Option 4. Any other optional form of payment contained  
2 in the contract.

3 Section 410. Vesting.--Provisions for vesting may be  
4 included in the contract between the municipality and the board.  
5 When such provision is made it shall mean that a contributor who  
6 terminates his employment with the municipality after a  
7 stipulated age or length of service, or both, may, if he so  
8 elects in writing, leave his contributions, as credited to his  
9 account, in the fund, and, upon reaching superannuation  
10 retirement age, receive a superannuation retirement allowance.

11 Section 411. Disability Retirement.--(a) After a member has  
12 had the required number of years of total service as stated in  
13 the contract, he may, upon application or on the application of  
14 one acting in his behalf, or upon application of a head of the  
15 department of the municipality by which he is employed, be  
16 retired by the board on a disability allowance if he is under  
17 superannuation retirement age, and on a superannuation  
18 retirement allowance if he has attained or passed such age, if  
19 the physician designated by the board, after medical examination  
20 of the member made at the place of residence of the member or at  
21 a place mutually agreed upon, shall certify to the board that  
22 the member is unable to engage in any gainful employment and  
23 that said member ought to be retired. Where the disability of a  
24 member is determined to be service-connected, as defined in this  
25 act, no minimum period of service shall be required for  
26 eligibility. Requirements for filing applications shall be  
27 identical to those outlined in clause (1) of section 407.

28 (b) On retirement for disability a member shall receive a  
29 retirement allowance which shall consist of an amount computed  
30 in accordance with the formula specified in the contract.

1 (c) Once every year the board may require any disability  
2 annuitant, while still under superannuation retirement age, to  
3 undergo medical examination by a physician designated by the  
4 board. Such examination shall be made at the place of residence  
5 of the beneficiary or other place mutually agreed upon. Should  
6 the physician report and certify to the board that such  
7 disability beneficiary is no longer physically or mentally  
8 incapacitated for the performance of duty and is able to engage  
9 in a gainful occupation, then his disability retirement  
10 allowance shall be discontinued, and in lieu thereof an early  
11 involuntary retirement allowance shall at that time be granted  
12 as if such person had been retired not voluntarily, if such a  
13 provision is included in the contract and if such person shall  
14 have had the required number of years of total service as stated  
15 in the contract.

16 (d) Should a disability annuitant, while under  
17 superannuation retirement age, refuse to submit to at least one  
18 medical examination in any year by a physician designated by the  
19 board, his disability retirement allowance shall be discontinued  
20 until the withdrawal of such refusal, and should such refusal  
21 continue for one year, then all his right in and to any  
22 disability retirement allowance or for early involuntary  
23 retirement allowance provided for by this act, shall be  
24 forfeited.

25 (e) Any contributor entitled to retire for disability may,  
26 in lieu of such retirement, if he has a required number of years  
27 of total service, elect to retire not voluntarily under the  
28 provisions of this act if such provisions are included in the  
29 contract.

30 (f) Should a disability annuitant die before the total



1 disability retirement allowance received shall be at least equal  
2 to the amount of the credit in his member's account at the time  
3 of disability retirement, then the board shall pay to the named  
4 beneficiary, if living, or if the beneficiary predeceased the  
5 annuitant, or no beneficiary was named, then to the annuitant's  
6 estate, an amount equal to the difference between such total  
7 retirement allowance received and the annuitant's accumulated  
8 deductions, and if such difference is less than one hundred  
9 dollars (\$100) and no letters have been taken out on the estate  
10 within six months after death, then such difference may be paid  
11 to the undertaker or to any person or municipality who or which  
12 shall have paid the claim of the undertaker. If the contract  
13 between the municipality and the board provides that upon the  
14 death of a disability annuitant payments in a specific amount  
15 shall be continued to certain beneficiaries, then the provisions  
16 of subsection (f), above, shall not apply and payments shall be  
17 made in accordance with the terms of the contract.

18 ~~Section 412. Withdrawal Prohibited. No municipality, after~~ <—  
19 ~~it has joined the system under the provisions of this Article~~  
20 ~~IV, shall be permitted to withdraw therefrom, and, in the case~~  
21 ~~of failure to make payments as required by this act, the~~  
22 ~~Commonwealth shall withhold payments to the municipality of any~~  
23 ~~funds to which the municipality may be entitled for pension~~  
24 ~~purposes. The board may recover any sums due to the fund by suit~~  
25 ~~at law, or other appropriate remedy.~~

26 SECTION 412. WITHDRAWAL PROVISIONS.--AT ANY TIME WITHIN <—  
27 THREE YEARS AFTER A MUNICIPALITY HAS INITIALLY JOINED THE  
28 RETIREMENT SYSTEM CREATED UNDER THIS ARTICLE IV IT MAY WITHDRAW  
29 FROM THE SYSTEM IF IT HAS MET ALL OF ITS FINANCIAL OBLIGATIONS  
30 TO THE FUND. THE MEMBER'S CONTRIBUTIONS OF THE WITHDRAWING

1 MUNICIPALITY'S EMPLOYES SHALL BE RETURNED TO THE MEMBERS. NO  
2 REFUND OF ANY CONTRIBUTIONS PAID BY THE MUNICIPALITY SHALL BE  
3 MADE AND THESE MONEYS SHALL REMAIN IN THE PENNSYLVANIA MUNICIPAL  
4 RETIREMENT FUND FOR THE BENEFIT OF THE REMAINING MEMBERS. ANY  
5 SUCH WITHDRAWAL MUST BE EFFECTED THROUGH AN ORDINANCE OR  
6 RESOLUTION CONTAINING THE AFFIRMATIVE VOTE OF SEVENTY-FIVE PER  
7 CENT OF ALL OF THE MEMBERS OF ITS LEGISLATIVE BODY AND IF THE  
8 LEGISLATIVE BODY IS COMPOSED OF ONLY THREE PERSONS, THEN BY AN  
9 UNANIMOUS AFFIRMATIVE VOTE. IN ALL CASES AN AFFIRMATIVE VOTE  
10 APPROVING SUCH ACTION BY SEVENTY-FIVE PER CENT OF THE MUNICIPAL  
11 EMPLOYES AFFECTED BY THE ORDINANCE OR RESOLUTION MUST BE  
12 CERTIFIED BY THE MUNICIPALITY TO THE BOARD.

13       THEREAFTER, NO MUNICIPALITY, AFTER IT HAS JOINED THE SYSTEM  
14 UNDER THE PROVISIONS OF THIS ARTICLE IV, SHALL BE PERMITTED TO  
15 WITHDRAW THEREFROM, AND, IN THE CASE OF FAILURE TO MAKE PAYMENTS  
16 AS REQUIRED BY THIS ACT, THE COMMONWEALTH SHALL WITHHOLD PAYMENT  
17 TO THE MUNICIPALITY ANY FUNDS TO WHICH THE MUNICIPALITY MAY BE  
18 ENTITLED FOR PENSION PURPOSES. THE BOARD MAY RECOVER ANY SUMS  
19 DUE TO THE FUND BY SUIT AT LAW, OR OTHER APPROPRIATE REMEDY.

20       Section 413. Procedures for Amending Contracts.--Any  
21 municipality which has joined the system under the provisions of  
22 this Article IV may, with the approval of the board, amend the  
23 contract with the board to increase any of the benefits  
24 enumerated in Article IV to its members. The board shall not  
25 enter into any amended contract with any municipality which  
26 decreases benefits, nor shall it enter into any amended contract  
27 with a municipality which provides for benefits in excess of or  
28 minimum member's contribution rates less than those available to  
29 it under any other existing law pertaining to the establishment  
30 of retirement systems for that class of municipality. Before the

1 board approves any such amended contract it shall first  
2 determine, through its actuary, that the plan outlined is  
3 actuarially sound. Any member municipality which elects to enter  
4 into an amended contract for increased benefits which would  
5 result in an increase in its employes contribution rates shall  
6 first obtain the written consent of at least seventy-five per  
7 cent of its then member employes. Additional costs for increases  
8 in benefits shall become the responsibility of the municipality  
9 and/or the member as specified in the contract.

10 ARTICLE V

11 REPEALS AND EFFECTIVE DATE

12 Section 501. Repeals.--The following act are repealed  
13 absolutely:

14 (1) The act of June 4, 1943 (P.L.886, No.371), known as the  
15 "Municipal Employes' Retirement Law."

16 (2) The act of July 31, 1968 (P.L.944, No.291), known as the  
17 "Municipal Police Retirement Law,"

18 Section 502. Effective Date.--This act shall take effect in  
19 ninety days.