
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 471

Session of
1973

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

AS REPORTED FROM COMMITTEE ON LOCAL GOVERNMENT, HOUSE OF
REPRESENTATIVES, AS AMENDED, DECEMBER 4, 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

1 "Pennsylvania Municipal Retirement Law."

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

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

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

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

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

1 "Beneficiary" means a person designated by a contributor or
2 an annuitant to receive benefits after the death of such
3 contributor or annuitant.

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

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

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

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

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

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

1 of Health, Education and Welfare entered into by the
2 Commonwealth.

3 "Member" means a municipal officer, employe, fireman or
4 policeman, or an employe of a municipal government association
5 who has become a member of the Pennsylvania Municipal Retirement
6 System created by this act.

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

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

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

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

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

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

29 "Municipal policeman" means a person holding a full-time
30 position in the police department of a municipality and who

1 works for a stated salary or compensation.

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

12 "New member" means a municipal officer, employe, fireman or
13 policeman, or an employe of a municipal government association
14 who first becomes a member after the date the municipality by
15 which he is employed joined the retirement system created by
16 this act.

17 "Original member" means a municipal officer, employe, fireman
18 or policeman, or an employe of a municipal government
19 association who was employed by the municipality at the date the
20 municipality joined the system.

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

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

1 under Article II or Article IV of this act.

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

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

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

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

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

29 "Superannuation retirement age" means sixty-five years of age
30 for municipal employes, fifty-five years of age for municipal

1 firemen and municipal police or such other age as may be
2 stipulated between the municipality and the board in a contract
3 for an optional retirement plan entered into under the
4 provisions of clause (11) of section 104 of this act.

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

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

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

13 Section 103. Pennsylvania Municipal Retirement Board.--A
14 Pennsylvania Municipal Retirement Board is hereby created, which
15 shall consist of the State Treasurer, SECRETARY OF THE <—
16 COMMONWEALTH, six municipal ~~employees employed by~~ ELECTED <—
17 OFFICIALS OR EMPLOYES OF different classes of municipalities
18 which have joined the system, one municipal fireman employed by
19 a municipality which has joined the system and one municipal
20 policeman employed by a municipality which has joined the
21 system. The eight latter members shall be appointed by the
22 Governor from among nominations made by ~~various associations of~~ <—
23 ~~county and municipal taxing officials~~ THE COUNTY COMMISSIONERS <—
24 ASSOCIATION, THE PENNSYLVANIA LEAGUE OF CITIES, THE PENNSYLVANIA
25 ASSOCIATION OF TOWNSHIP COMMISSIONERS, THE PENNSYLVANIA STATE
26 ASSOCIATION OF TOWNSHIP SUPERVISORS, THE PENNSYLVANIA STATE
27 ASSOCIATION OF BOROUGH AND THE PENNSYLVANIA MUNICIPAL
28 AUTHORITIES ASSOCIATION, and associations representing municipal
29 firemen and municipal police, to serve for a term of four years
30 each and until their successors are appointed and qualified.

1 Appointments of members made by the Governor shall not require
2 the advice and consent of the Senate. The two municipal employe
3 members of the Municipal Employees' Retirement Board, appointed
4 by the Governor from among nominations made by various
5 associations of county and municipal ~~taxing~~ officials, who are ←
6 serving on the effective date of this act, shall continue to
7 serve as members of the Pennsylvania Municipal Retirement Board
8 until the expiration of their respective terms.

9 A chairman and vice chairman of the board shall be elected by
10 the board every four years.

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

14 No appointed member shall serve more than two consecutive
15 full terms.

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

20 A quorum of the board shall consist of ~~five~~ SIX members. ←

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

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

30 (2) Contract for professional services, including but not

1 limited to actuarial, investment and medical as it deems
2 advisable;

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

5 (4) From time to time, through its actuary, make an
6 actuarial investigation into the mortality and service
7 experience of the contributors and annuitants and of the various
8 accounts created by this act;

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

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

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

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

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

26 (10) From time to time, with the advice of the Attorney
27 General and the actuary, adopt and promulgate such rules and
28 regulations as may be required for the proper administration of
29 the fund created by this act and the several accounts thereof,
30 and for the transaction of the business of the board;

1 (11) Be authorized to approve any optional retirement plan
2 for municipal employes, municipal firemen or municipal police,
3 with any municipality as long as it is actuarially sound and
4 benefits under the plan are not in excess of or member's minimum
5 contribution rates are not less than those provided in other
6 existing retirement laws pertaining to that class of
7 municipality;

8 (12) PREPARE AND DISTRIBUTE ANNUAL STATEMENTS OF ACCOUNTS TO <—
9 EACH OF THE ACTIVE MEMBERS OF THE SYSTEM, SHOWING THE
10 CONTRIBUTIONS MADE DURING THE YEAR, THE INTEREST EARNED AND THE
11 TOTAL BALANCE STANDING IN THE MEMBER'S ACCOUNT AT THE END OF THE
12 YEAR.

13 ~~(12)~~ (13) Perform such other functions as are required for <—
14 the execution of the provisions of this act.

15 Section 105. Preliminary Actuarial Investigation Tables and
16 Rates.--As soon as may be after the passage of this act, the
17 actuary shall make an investigation of the mortality, service
18 and salary experience of municipal employes, municipal firemen
19 and municipal police as he shall deem necessary, for the purpose
20 of determining upon tentative tables and municipal
21 contributions. On the basis of such investigation and
22 recommendation, the board shall adopt such tentative tables and
23 certify such tentative rates for the purpose of giving
24 municipalities and municipal employes, municipal firemen and
25 municipal police estimates of the cost involved in electing to
26 join the retirement system established by this act. Such tables
27 may thereafter be accepted or changed by the board, as
28 experience may require.

29 Section 106. Information to Municipalities.--The board
30 shall, with the aid of its actuary, prepare a circular of

1 information relative to the system, showing estimates of the
2 costs thereof to municipalities and members, including costs of
3 administration, the benefits to be derived therefrom, the
4 methods of administration by the board and the municipality, and
5 such other information as may be deemed appropriate. Such
6 circular of information shall be furnished to municipalities
7 upon request.

8 Section 107. Election by Municipalities to Join Retirement
9 System.--Any municipality may elect, by ordinance or resolution
10 adopted by the tax levying body, or in the case of municipal
11 authorities by the board of such municipal authority to join the
12 system: Provided, however, That any municipality electing
13 coverage under the provisions of Article II of this act must
14 have first placed its municipal employes in so far as they are
15 eligible under the Federal Social Security Act. ~~In the case of~~ ←
16 ~~townships of the second class, no resolution shall be adopted,~~
17 ~~except by unanimous vote of all three supervisors.~~

18 Any municipality, by action of its tax levying body, may and
19 upon petition of electors equal to at least five per cent of the
20 registered electors of the municipality, shall, submit the
21 question of joining such system to the voters of the
22 municipality at any municipal or general election, in the same
23 manner as other questions are submitted to the electors under
24 the election code of the Commonwealth. If the majority of the
25 electors voting on the question vote in favor thereof, the tax
26 levying body shall adopt an ordinance or resolution electing to
27 join such system. If the electors vote against joining the
28 system, then no further action shall be taken in the
29 municipality for a period of two years.

30 A duly certified copy of any such ordinance or resolution

1 electing to join the system shall be filed with the board.

2 Section 108. Retirement Funds and Accounts.--The
3 Pennsylvania Municipal Retirement Fund shall consist of the
4 money received from municipalities arising from contributions by
5 municipalities, and from payroll deductions from salary or
6 compensation of members, and other contributions made by members
7 through the municipality to the system, from transfers made from
8 municipal retirement or pension systems and credited as provided
9 in this act, and investment earnings thereon.

10 Contributions made by municipalities toward superannuation
11 retirement and death benefits of members shall be credited to
12 the municipal account of said fund, contributions made by
13 municipalities toward disability retirement of members shall be
14 credited to the total disability reserve account of said fund,
15 and payroll deductions and other contributions of members shall
16 be credited to the member's account of said fund. Transfers made
17 from existing municipal retirement or pension systems shall be
18 credited as provided in this act.

19 The board shall keep separate accounts of each municipality
20 and for each separate class of employes enrolled by that
21 municipality under the several articles of this act, except the
22 total disability reserve account and the retired member's
23 reserve account which shall be maintained as pooled accounts.
24 Each municipality and the members thereof shall be liable to the
25 board for the amount of contributions required to cover the cost
26 of the retirement allowance and other benefits payable to such
27 members.

28 Upon the granting of a superannuation or voluntary or
29 involuntary withdrawal retirement allowance to any contributor,
30 the amount of such contributor's accumulated deductions in the

1 member's account shall lose their status as accumulated
2 deductions and shall be transferred to the retired member's
3 reserve account and the actuarial equivalent of the municipal
4 annuity shall be similarly transferred from the municipal
5 account to the retired member's reserve account.

6 Upon the granting of a disability retirement allowance to any
7 contributor, there shall be transferred to the retired member's
8 reserve account the amount of the contributor's accumulated
9 deductions in the member's account, the amount of the equivalent
10 actuarial value to the municipal annuity, and such additional
11 amount from the total disability reserve account as is needed in
12 addition thereto to provide the actuarial equivalent of the
13 total disability allowance to which the contributor is entitled.

14 Section 109. Custody of and Payments from Fund.--All moneys
15 and securities in the fund shall be placed in the custody of the
16 State Treasurer for safekeeping, and all payments on account of
17 retirement allowances shall be made on requisition signed by the
18 chairman and secretary of the board.

19 Section 110. Management and Investment of Fund; Interest
20 Credits.--The members of the board shall be trustees of the
21 fund, and shall have the exclusive management of said fund, with
22 full power to invest the moneys therein, subject to the terms,
23 conditions, limitations and restrictions imposed by law upon
24 fiduciaries. The said trustees shall have power to hold,
25 purchase, sell, assign, transfer and dispose of any securities
26 and investments in said fund, as well as the proceeds of such
27 investments, and of the money belonging to such fund.

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

30 Section 111. Municipal Guarantee.--The regular interest

1 charges payable and the creation and maintenance of the
2 necessary reserves for the payment of the municipal and member's
3 annuities, as to any municipality in accordance with this act,
4 are hereby made the obligation of that municipality.

5 IN THE CASE OF THE FAILURE OF A MUNICIPALITY TO MAKE PAYMENTS <—
6 AS REQUIRED BY THIS ACT, THE COMMONWEALTH SHALL WITHHOLD PAYMENT
7 TO THE MUNICIPALITY OF ANY FUNDS TO WHICH THE MUNICIPALITY MAY
8 BE 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 112. Annual Estimates to Municipalities;
11 Administrative Expenses.--The board shall prepare and submit to
12 each municipality, on or before the first day of the fourth
13 month preceding the commencing of each municipality's fiscal
14 year, an itemized estimate of the amounts necessary to be
15 appropriated by the municipality to complete the payments of the
16 obligations of the municipality to the fund during its next
17 fiscal year.

18 ~~The board shall annually prepare and approve a budget <—~~
19 ~~covering the administrative expenses of this act. Such expenses~~
20 ~~as approved by the board shall be paid from receipts from~~
21 ~~assessments made against each municipality for administrative~~
22 ~~expenses. This assessment shall be based on the number of~~
23 ~~members in each municipality and shall not exceed the sum of ten~~
24 ~~dollars (\$10) per member during calendar year 1973 and a sum of~~
25 ~~twenty five dollars (\$25) per member in any succeeding year.~~

26 THE BOARD SHALL ANNUALLY PREPARE AND APPROVE A BUDGET <—
27 COVERING THE ADMINISTRATIVE EXPENSES OF THIS ACT. SUCH EXPENSES
28 AS APPROVED BY THE BOARD SHALL BE PAID FROM RECEIPTS FROM
29 ASSESSMENTS MADE AGAINST EACH MUNICIPALITY FOR ADMINISTRATIVE
30 EXPENSES. THIS ASSESSMENT SHALL BE BASED ON THE NUMBER OF

1 MEMBERS IN EACH MUNICIPALITY AND SHALL NOT EXCEED THE SUM OF
2 TWENTY DOLLARS (\$20) PER MEMBER PER YEAR. IF, IN THE CALENDAR
3 YEARS 1974 AND 1975, THE AMOUNT RECEIVED FROM SUCH ASSESSMENTS,
4 WHEN IMPOSED AT THE MAXIMUM RATE, IS NOT SUFFICIENT TO COVER THE
5 ADMINISTRATIVE EXPENSES, THEN THE BALANCE OF SUCH EXPENSES SHALL
6 BE PAID FROM INTEREST EARNINGS ON THE FUND IN EXCESS OF THE
7 REGULAR INTEREST CREDITED TO THE MUNICIPAL AND MEMBER'S ACCOUNTS
8 AND SHALL NOT, IN EITHER YEAR, EXCEED ONE-HALF OF ONE PER CENT
9 OF THE TOTAL ASSET VALUE OF THE FUND AS OF THE BEGINNING OF THE
10 CALENDAR YEAR.

11 Section 113. Existing Local Retirement Systems.--Where a
12 municipality elects to join the system established by this act,
13 and is then maintaining a retirement or pension system or
14 systems covering its employes in whole or in part, those
15 employes so covered, and employes thereafter eligible to join
16 such pension system, shall not become members of the retirement
17 system established by this act, unless at the time the
18 municipality elects to join the system, the members of ~~such~~ <—
19 ~~existing retirement or pension system shall, by the affirmative~~
20 ~~vote of seventy five per cent of all the members thereof,~~ EACH <—
21 SUCH EXISTING RETIREMENT OR PENSION SYSTEM SHALL, BY THE
22 AFFIRMATIVE VOTE OF SEVENTY-FIVE PER CENT OF ALL THE MEMBERS OF
23 EACH PENSION SYSTEM, elect to be covered by the retirement
24 system established by this act. At any time thereafter, within a
25 period of three years after the municipality has elected to join
26 the system, but not thereafter, the members of an existing
27 retirement or pension system may, in like manner, elect to join
28 the system established by this act. In any such case, provisions
29 may be made for the transfer of moneys and securities in its
30 retirement or pension fund or funds, in whole or in part, to the

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

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

30 Section 114. Monthly Payments.--Any retirement allowance

1 created under the provisions of this act shall be paid in equal
2 monthly installments and shall not be increased, decreased,
3 revoked or repealed, except where specifically otherwise
4 provided by this act.

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

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

19 ARTICLE II

20 PROVISIONS RELATING TO MUNICIPAL EMPLOYEES

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

28 Section 202. Transfer of the Municipal Employes' Retirement
29 Fund to the Pennsylvania Municipal Retirement Fund.--On the
30 effective date of this act all of the assets and liabilities of

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

14 Section 203. Existing Local Retirement Systems and
15 Compulsory and Optional Membership.--Where a municipality elects
16 to join the system established by this act, and is then
17 maintaining a retirement or pension system or systems covering
18 its employes in whole or in part, those employes so covered, and
19 employes thereafter eligible to join such pension system, shall
20 not become members of the retirement system established by this
21 act, unless at the time the municipality elects to join the
22 system, the members of ~~such existing retirement or pension~~ <—
23 ~~system shall, by the affirmative vote of seventy five per cent~~
24 ~~of all the members thereof,~~ EACH SUCH EXISTING RETIREMENT OR <—
25 PENSION SYSTEM SHALL, BY THE AFFIRMATIVE VOTE OF SEVENTY-FIVE
26 PER CENT OF ALL THE MEMBERS OF EACH PENSION SYSTEM, elect to be
27 covered by the retirement system established by this act. At any
28 time thereafter, within a period of three years after the
29 municipality has elected to join the system, but not thereafter,
30 the members of an existing retirement or pension system may, in

1 like manner, elect to join the system established by this act.
2 In any such case, provisions may be made for the transfer of
3 moneys and securities in its retirement or pension fund or
4 ~~years~~ FUNDS, IN WHOLE OR IN PART, TO THE FUND ESTABLISHED BY ←
5 THIS ACT. SECURITIES SO TRANSFERRED SHALL BE ONLY THOSE
6 ACCEPTABLE TO THE BOARD. SECURITIES NOT SO ACCEPTABLE SHALL BE
7 CONVERTED INTO CASH, AND SAID CASH TRANSFERRED TO THE FUND
8 CREATED BY THIS ACT. IN ANY SUCH TRANSFER, PROVISION SHALL BE
9 MADE TO CREDIT THE ACCUMULATED DEDUCTIONS OF EACH MEMBER, AT
10 LEAST THE AMOUNT HE HAS PAID INTO THE RETIREMENT OR PENSION
11 SYSTEM OF THE MUNICIPALITY, WHICH MONEYS SHALL BE CREDITED
12 AGAINST THE PRIOR SERVICE CONTRIBUTIONS OF SUCH MEMBER, OR A
13 MUNICIPALITY MAY TURN OVER TO THE RETIREMENT SYSTEM CREATED BY
14 THIS ACT ANY EXISTING LOCAL PENSION SYSTEM ON A COMPLETELY
15 FUNDED BASIS, AS TO PENSIONERS AND PENSION CREDITS OF MEMBERS
16 RELATED TO PRIOR SERVICE TO THE DATE OF TRANSFER, OR ON A
17 PARTIALLY FUNDED BASIS IF THE MUNICIPALITY PAYS ANNUALLY INTO
18 THE RETIREMENT SYSTEM AMOUNTS SUFFICIENT TO COMPLETELY LIQUIDATE
19 THE MUNICIPALITY'S LIABILITY FOR PRIOR SERVICE WITHIN A PERIOD
20 NOT TO EXCEED THIRTY YEARS.

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

1 be deemed to have been made at the time the municipality elected
2 to join the system, and the liabilities of the municipality
3 shall be fixed accordingly.

4 If a municipality elects to join the system under the
5 provisions of this Article II, then each officer other than
6 elected officers, and each employe thereof other than a
7 municipal fireman and a municipal policeman, employed on a
8 permanent basis, except one who is not eligible for Federal
9 Social Security coverage and except one who is covered by an
10 existing retirement or pension system and is exempted as
11 outlined above, shall be required to become a member of the
12 system. Each municipality shall determine whether membership in
13 said system for elected officials and employes hired on a
14 temporary or seasonal basis shall be compulsory, optional or
15 prohibited. Where membership may be optional with an elected
16 officer or an employe hired on a temporary or seasonal basis, an
17 election to join the system must be made within one year after
18 the municipality elected to join the system or within one year
19 after the officer or temporary or seasonal employe first entered
20 the service of the municipality. Officers and employes paid only
21 on a fee basis shall not be eligible to join the system.

22 WHEN A MUNICIPALITY HAS ESTABLISHED A POLICY OF PLACING NEW <—
23 EMPLOYES ON A PROBATIONARY STATUS IT MAY ELECT TO REFRAIN FROM
24 ENROLLING SUCH EMPLOYES INTO THE SYSTEM FOR A PERIOD OF UP TO
25 ONE YEAR FROM THE DATE THE PROBATIONARY EMPLOYEE FIRST ENTERED
26 THE SERVICE OF THE MUNICIPALITY. IN SUCH CASES SERVICE CREDITS
27 SHALL NOT BE EARNED BY THE EMPLOYEE FOR PROBATIONARY TIME SERVED
28 PRIOR TO ENROLLMENT.

29 Section 204. Service Allowance; Change of Employment;
30 Military Service.--In computing the length of service of a

1 contributor for retirement purposes, full credit shall be given
2 to each original member for each year of service rendered to the
3 municipality prior to the time the municipality joined the
4 system, whether or not such service was continuous.

5 As soon as practicable, the board shall issue to each
6 original member a certificate certifying the aggregate length of
7 service rendered to the municipality prior to the time it joined
8 the system. Such certificate shall be final and conclusive as to
9 his prior service unless thereafter modified by the board, upon
10 application of the member.

11 The time during which a member was absent from service
12 without pay shall not be counted in computing the service of a
13 contributor in his certificate, or upon retirement, unless
14 specifically allowed by the municipality, with the approval of
15 the board.

16 When a contributor leaves the employ of a municipality which
17 has joined the system, and enters into the employ of another
18 municipality which has also joined the system, his service
19 credits shall remain unimpaired, but in such cases the unpaid
20 municipal liability for prior service shall be prorated by the
21 board between the municipalities on an equitable basis.

22 A contributor who has been employed by a municipality for a
23 period of at least six months and is an active member of the
24 system and who thereafter, heretofore, or hereafter, shall be
25 inducted into the military service of the United States in times
26 of war, armed conflict, or National emergency, so proclaimed by
27 the President of the United States, shall have credited to his
28 employment record, for pension or retirement benefits, all of
29 the time spent by him in such military service during the
30 continuance of such war, armed conflict, or National emergency

1 if such person returns or has heretofore returned to his
2 employment within six months after his separation from the
3 service. The municipality shall, during the period of the
4 member's intervening military service, continue to make current
5 service contributions toward the municipal annuity of the
6 member. An active member may file an application with the board
7 for permission to purchase credit toward his member's share of
8 the annuity for intervening military service. These
9 contributions shall be computed by applying the member's
10 contribution rate to his annual rate of compensation at the time
11 of entry of the member into active military service, and
12 multiplying the result by the number of years and fractional
13 part of a year of creditable intervening military service,
14 together with interest from date of return to employment to date
15 of purchase. The amount due from the member shall be certified
16 by the board in accordance with methods approved by the actuary,
17 and may be paid by (1) regular monthly payments during active
18 military service, or (2) a lump sum payment within thirty days
19 or (3) it may be amortized with additional interest through
20 salary deductions in amounts agreed upon by the member of the
21 board.

22 An active member may also purchase credit for other than
23 intervening military service performed for the United States in
24 times of war, armed conflict or National emergency, so
25 proclaimed by the President of the United States, for a period
26 not to exceed five years: Provided, That the member has
27 completed five years of service to the municipality subsequent
28 to such military service. An active member may file an
29 application with the board for permission to purchase credit for
30 nonintervening military service upon completion of five years of

1 subsequent service to the municipality. The type of service
2 credit for such service shall be determined by the date of entry
3 of the municipality into the system. If the date of the member's
4 separation from military service is prior to the date on which
5 the municipality joined the system, then the credit purchased
6 shall be considered as prior service credit. In this case the
7 amount due from the member shall be computed by applying the
8 member's basic contribution rate plus the rate of contribution
9 the municipality paid for current service during its first year
10 of entry into the system to his prior salary and multiplying the
11 result by the number of years and fractional part of a year of
12 creditable nonintervening military service, plus interest from
13 the date of the member's employment by the municipality to the
14 date of purchase. The amount due from the member shall be
15 certified by the board in accordance with methods approved by
16 the actuary, and may be paid in a lump sum within thirty days or
17 it may be amortized with additional interest through salary
18 deductions in amounts agreed upon by the member and the board.
19 If, on the other hand, the date of the member's separation from
20 military service is later than the date of entry of the
21 municipality into the system, then the credit purchased shall be
22 considered as current service credit. In this case the amount
23 due from the member shall be computed by applying the member's
24 basic contribution rate plus the municipality's normal
25 contribution rate for current service which was in effect on the
26 date of the member's entry into employment with the municipality
27 to his average annual rate of compensation over the first five
28 years of his subsequent employment and multiplying the result by
29 the number of years and fractional part of a year of creditable
30 nonintervening military service being purchased, plus interest

1 from the date of employment by the municipality to date of
2 purchase.

3 The amount due from the member shall be certified by the
4 board in accordance with methods approved by the actuary, and
5 may be paid in a lump sum within thirty days or it may be
6 amortized with additional interest through salary deductions in
7 amounts agreed upon by the member and the board.

8 The rate of interest to be charged to members on their
9 purchase of credit for intervening or nonintervening military
10 service shall be the rate being credited by the system to
11 member's contribution accounts in effect on the date of the
12 member's application, compounded annually.

13 A member may purchase credit for intervening or
14 nonintervening military service only if his discharge or
15 separation from the service was granted under other than
16 dishonorable conditions.

17 A member may not purchase credit for any military service for
18 which he is entitled to receive a retirement allowance from the
19 United States Government.

20 Applications for permission to purchase credit for military
21 service must be accompanied by proof of the nature of his
22 discharge or separation from the military service.

23 Section 205. Determination of Municipal Liability.--The
24 actuary shall as soon as may be, determine the present value of
25 the liability of each municipality for the prior service credits
26 to its original members, and shall establish an amount payable
27 annually over a period not exceeding thirty years, through which
28 payments such prior service liability may be funded. Each
29 municipality shall have the option to spread the payment of such
30 prior service liability over such period of years.

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

5 (1) The municipality may limit to ten years the credit for
6 prior service toward the municipal annuity of each original
7 member;

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

11 The actuary shall also determine, from time to time, the
12 amount which shall be contributed annually by each municipality
13 for service credits of original and new members subsequent to
14 the time the municipality joined the system, and the additional
15 amount which shall be contributed annually by each municipality
16 toward a reserve account for disability allowances payable to
17 original or new members, in order that all future service
18 liability may be fully funded on an actuarial basis.

19 The amounts so determined by the actuary may be expressed in
20 a percentage of the payroll of the municipality covering its
21 contributing members.

22 The cost of making the valuations required by this section
23 and in the transfer of any existing pension system of any
24 municipality, shall be part of the costs of administration of
25 this act.

26 Section 206. Contributions by Members; Consolidation of
27 Credits; Change of Employment.--Each member of the system shall
28 be required to contribute to the fund such per cent of his
29 actual salary or compensation, including fees where paid in part
30 on a fee basis, as shall be computed by the actuary to be

1 approximately sufficient to procure for him on a superannuation
2 retirement age, a member's annuity of approximately one two-
3 hundred-fiftieth of that portion of his final salary on which
4 social security benefits are payable and of one one-hundred-
5 twenty-fifth of any portion of his final salary in excess of the
6 amount on which social security benefits are payable for each
7 year of service, after the time the municipality by which he is
8 employed joined the system.

9 In order to increase his member's annuity, each member shall
10 also have the option to make contributions for his prior
11 service. Such contributions for prior service may be anticipated
12 in whole or in part at the time the municipality joins the
13 system, or payment thereof or such part thereof as is not
14 anticipated may be spread over a period of time by increasing
15 the payroll deduction of the member by at least one-third. When
16 a member elects to contribute on account of all of his unpaid
17 prior service, his rate of contribution shall be calculated as
18 of his age at the time he first entered the service of the
19 municipality: Provided, however, That any municipality may, at
20 the time it elects to join the system, or at any time
21 thereafter, agree with the board to pay into the fund as part of
22 its liability under and in accordance with section 205 hereof,
23 the moneys necessary to provide the member's contributions for
24 prior service, and in such case no contributions for prior
25 service shall be made by the members.

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

29 When a municipal employe is employed by more than one
30 municipality, he shall be required to make contributions on

1 account of his salary paid by each municipality. In such cases
2 the board shall provide for the consolidation of credits of the
3 contributor and, upon his retirement, for a consolidated
4 retirement allowance.

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

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

28 (c) Should a person who has been retired on a retirement
29 allowance under this act, return to employment on a regular
30 full-time basis in the same municipality, his retirement

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

19 (d) Should a contributor die while in service, prior to
20 becoming eligible for a retirement allowance, his accumulated
21 deductions shall be paid to his estate, or to such person, if
22 living, as he shall have designated in writing, filed with the
23 board as his beneficiary. In case any contributor has failed to
24 designate a beneficiary, or if the named beneficiary has
25 predeceased the member and no such successor beneficiary has
26 been named, and upon the death in service shall have less than
27 one hundred dollars (\$100) in accumulated deductions standing to
28 his credit, the board may, if letters testamentary or of
29 administration have not been taken out on his estate within six
30 months after death, pay such accumulated deductions on the claim

1 of the undertaker, or to any person or municipality which shall
2 have paid the claim of the undertaker.

3 Section 208. Superannuation Retirement.--Retirement for
4 superannuation shall be as follows:

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

16 (b) On retirement for superannuation, a contributor shall be
17 entitled to a retirement allowance throughout his life, which
18 shall consist of:

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

21 (2) A municipal annuity which shall be equal to (i) for
22 current service, one two-hundred-fiftieth of that portion of his
23 final salary on which social security benefits are payable plus
24 one one-hundred-twenty-fifth of any portion of his final salary
25 in excess of the amount on which social security benefits are
26 payable for each year of service while a member, and in addition
27 thereto, (ii) for prior service in case of an original member,
28 one two-hundred-fiftieth of that portion of his prior salary on
29 which social security benefits are payable plus one one-hundred-
30 twenty-fifth of any portion of his prior salary in excess of the

1 amount on which social security benefits are payable for each
2 year of prior service or for a maximum of ten years if the
3 municipality has so limited the period of prior service, and in
4 addition thereto, one two-hundred-fiftieth of his prior salary
5 on which social security benefits are payable plus one one-
6 hundred-twenty-fifth of any portion of his prior salary in
7 excess of the amount on which social security benefits are
8 payable for each year of prior service for which the
9 municipality has paid or has obligated itself to pay the
10 member's contributions.

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

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

19 (b) A contributor to the system who is entitled to a
20 superannuation retirement allowance by reason of having reached
21 superannuation retirement age or who is entitled to a withdrawal
22 allowance by reason of having completed twenty-four years of
23 total service, may file with the board a written application for
24 retirement, in the form required for such application, but
25 requesting that such retirement shall become effective as of the
26 time of his death, electing one of the options provided in
27 section 211 and nominating a person having an insurable interest
28 in his life under said option as required in said section. In
29 all such cases, the application shall be held by the board until
30 the contributor shall file a later application in the usual

1 manner for a superannuation retirement allowance or until the
2 death of the contributor occurring while in municipal service,
3 at which time his retirement shall become effective with the
4 same benefits to the person designated as if the contributor had
5 retired on the day immediately preceding his death.

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

19 Section 210. Early Retirement.--Should a contributor be
20 discontinued from service not voluntarily, after having
21 completed eight years of total service, or voluntarily after
22 having completed twenty-four years of total service, but in
23 either event before reaching superannuation retirement age, he
24 shall be paid as he may elect, as follows:

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

27 (2) Upon the filing of an application in the manner outlined
28 in subsection (a) of section 208, a retirement allowance which
29 shall consist of (i) a member's annuity of equivalent actuarial
30 value to his accumulated deductions; and (ii) a municipal

1 annuity of equivalent actuarial value to the present value of a
2 municipal annuity, beginning at superannuation retirement age,
3 calculated in accordance with the provisions of section 208; or

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

6 Section 211. Options on Superannuation or Early
7 Retirement.--At the time of his superannuation or early
8 retirement, a contributor may elect to receive his benefits in a
9 retirement allowance payable throughout his life, which shall be
10 known as a single life annuity, or instead, he may elect to
11 receive the equivalent actuarial value at that time of his
12 retirement allowance in a lesser allowance, payable throughout
13 life with provisions that:

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

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

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

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

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

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

25 (2) A municipal annuity of the equivalent actuarial value to
26 the present value of a municipal annuity, beginning at
27 superannuation retirement age, calculated in accordance with the
28 provision of section 208; and

29 (3) A disability annuity payable from the total disability
30 reserve account which, together with the member's annuity and

1 the municipal annuity, shall be sufficient to produce a
2 retirement allowance of thirty per cent of the final salary.
3 Where the disability of the member is determined to be service-
4 connected, as defined in this act, the retirement allowance
5 shall equal fifty per cent of his final salary. The disability
6 annuity shall be reduced by the amount of any payments for which
7 the member shall be eligible under the act of June 2, 1915
8 (P.L.736, No.338), known as "The Pennsylvania Workmen's
9 Compensation Act," or the act of June 21, 1939 (P.L.566,
10 No.284), known as "The Pennsylvania Occupational Disease Act."

11 (c) Once every year the board may require any disability
12 annuitant, while still under superannuation retirement age, to
13 undergo medical examination by a physician designated by the
14 board. Such examination shall be made at the place of residence
15 of the beneficiary or other place mutually agreed upon. Should
16 the physician report and certify to the board that such
17 disability beneficiary is no longer physically or mentally
18 incapacitated for the performance of duty and is able to engage
19 in a gainful occupation, then his disability retirement
20 allowance shall be discontinued, and in lieu thereof an early
21 involuntary retirement allowance shall at that time be granted
22 as if such person had been retired not voluntarily, if such
23 person shall have had eight or more years of total service.

24 (d) Should a disability annuitant, while under
25 superannuation retirement age, refuse to submit to at least one
26 medical examination in any year by a physician designated by the
27 board, his disability retirement allowance shall be discontinued
28 until the withdrawal of such refusal, and should such refusal
29 continue for one year, then all his rights in and to any
30 disability retirement allowance or for early involuntary

1 retirement allowance provided for by this act, shall be
2 forfeited.

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

7 (f) Should a disability annuitant die before the total
8 disability retirement allowance received shall be at least equal
9 to the amount of his accumulated deductions at the time of
10 disability retirement, then the board shall pay to the named
11 beneficiary, if living, or if the beneficiary predeceased the
12 annuitant, or no beneficiary was named, then to the annuitant's
13 estate, an amount equal to the difference between such total
14 retirement allowance received and the annuitant's accumulated
15 deductions, and if such difference is less than one hundred
16 dollars (\$100) and no letters have been taken out on the estate
17 within six months after death, then such difference may be paid
18 to the undertaker or to any person or municipality who or which
19 shall have paid the claim of the undertaker.

20 Section 213. Vesting.--(a) Should a contributor, before
21 reaching superannuation retirement age and after having
22 completed twelve years of total service, for any reason cease to
23 be a municipal employe, he shall be entitled to vest his
24 retirement benefits until he attains superannuation retirement
25 age, by filing with the board a written notice of his intentions
26 to vest, within ninety days of the date of his termination.

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

29 (1) The full amount of the accumulated deductions, including
30 interest to the date of termination, standing to his credit in

1 the member's account of the fund; or

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

4 (3) Upon reaching superannuation retirement age, a
5 superannuation retirement allowance as computed under the
6 provisions of section 208.

7 (c) A contributor, who voluntarily terminated his service,
8 may 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) If the contributor has completed twenty-four years or
13 more of total service, a voluntary withdrawal allowance computed
14 in accordance with the provisions of section 210; or

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

18 (d) Should a contributor, who has vested, die before he
19 becomes eligible for a retirement allowance, the full amount of
20 the accumulated deductions, including interest to the date of
21 his termination, standing to his credit in the member's account
22 of the fund shall be paid to his estate or to his named
23 beneficiary in accordance with the provisions of subsection (d)
24 of section 207.

25 ~~Section 214. Withdrawal Provisions. At any time within~~ <—
26 ~~three years after a municipality has initially joined the~~
27 ~~retirement system created or continued under this Article II it~~
28 ~~may withdraw from the system if it has met all of its financial~~
29 ~~obligations to the fund. The member's contributions of the~~
30 ~~withdrawing municipality's employes shall be returned to the~~

1 ~~members. No refund of any contributions paid by the municipality~~
2 ~~shall be made and these moneys shall remain in the Pennsylvania~~
3 ~~Municipal Retirement Fund for the benefit of the remaining~~
4 ~~members. Any such withdrawal must be effected through an~~
5 ~~ordinance or resolution containing the affirmative vote of~~
6 ~~seventy five per cent of all of the members of its legislative~~
7 ~~body and if the legislative body is composed of only three~~
8 ~~persons, then by an unanimous affirmative vote. In all cases an~~
9 ~~affirmative vote approving such action by seventy five per cent~~
10 ~~of the municipal employes affected by the ordinance or~~
11 ~~resolution must be certified by the municipality to the board.~~

12 ~~Thereafter, no municipality, after it has joined the system~~
13 ~~under the provisions of this Article II, shall be permitted to~~
14 ~~withdraw therefrom, and, in the case of failure to make payments~~
15 ~~as required by this act, the Commonwealth shall withhold payment~~
16 ~~to the municipality any funds to which the municipality may be~~
17 ~~entitled for pension purposes. The board may recover any sums~~
18 ~~due to the fund by suit at law, or other appropriate remedy.~~

19 SECTION 214. WITHDRAWAL PROVISIONS.--A MUNICIPALITY WHICH <—
20 HAS JOINED THE RETIREMENT SYSTEM CREATED OR CONTINUED UNDER THIS
21 ARTICLE II MAY, FOR GOOD AND STATED CAUSE, FILE AN APPLICATION
22 WITH THE BOARD FOR PERMISSION TO WITHDRAW FROM THE SYSTEM IF IT
23 MEETS ALL OF THE FOLLOWING REQUIREMENTS:

24 (1) THE MUNICIPALITY HAS BEEN ENROLLED IN THE SYSTEM FOR A
25 PERIOD OF AT LEAST FIVE YEARS.

26 (2) THE MUNICIPALITY HAS MET ALL OF ITS FINANCIAL
27 OBLIGATIONS TO THE SYSTEM.

28 (3) THE LEGISLATIVE BODY OF THE MUNICIPALITY HAS PASSED AN
29 ORDINANCE OR RESOLUTION SIGNIFYING ITS INTENTION TO WITHDRAW
30 FROM THE SYSTEM.

1 (4) THE MUNICIPALITY HAS CERTIFIED TO THE BOARD THAT AN
2 AFFIRMATIVE VOTE APPROVING WITHDRAWAL FROM THE SYSTEM HAD BEEN
3 OBTAINED FROM AT LEAST SEVENTY-FIVE PER CENT OF ALL OF THE
4 MUNICIPAL EMPLOYES AFFECTED BY THE ORDINANCE OR RESOLUTION.

5 THE BOARD SHALL WITHIN NINETY DAYS OF ITS RECEIPT, TAKE
6 ACTION ON AN APPLICATION FILED BY A MUNICIPALITY FOR PERMISSION
7 TO WITHDRAW FROM THE SYSTEM. IF THE APPLICATION IS APPROVED THE
8 WITHDRAWING MUNICIPALITY SHALL BE ENTITLED TO RECEIVE A NET
9 REFUND OF THE AMOUNTS THEN STANDING TO THE CREDIT OF THE
10 MUNICIPALITY IN THE MEMBER'S ACCOUNT, THE MUNICIPAL ACCOUNT AND
11 THE RETIRED MEMBER'S RESERVE ACCOUNTS OF THE SYSTEM. IN NO EVENT
12 SHALL THE TOTAL AMOUNT OF THE NET REFUND TO THE MUNICIPALITY
13 EXCEED THE PRO RATA INTEREST OF THE WITHDRAWING MUNICIPALITY IN
14 THE NET ASSETS OF THE ENTIRE FUND BASED ON THE MARKET VALUE OF
15 THE INVESTMENTS OF THE FUND AS OF THE DATE OF RECEIPT OF THE
16 APPLICATION FOR PERMISSION TO WITHDRAW. THE LIABILITY FOR THE
17 CONTINUATION OF RETIREMENT OR DISABILITY ALLOWANCES BEING PAID
18 FROM THE FUND SHALL ATTACH AGAINST THE WITHDRAWING MUNICIPALITY
19 AND BE PAID FROM FUNDS TRANSFERRED TO A RETIREMENT SYSTEM
20 ESTABLISHED SUBSEQUENT TO ITS WITHDRAWAL FROM THE SYSTEM OR FROM
21 MONEYS APPROPRIATED ANNUALLY FROM TAX REVENUES SUFFICIENT TO PAY
22 THE SAME. IF THE BOARD DISAPPROVES THE APPLICATION OF THE
23 MUNICIPALITY FOR PERMISSION TO WITHDRAW FROM THE SYSTEM THE
24 BOARD SHALL PROMPTLY NOTIFY THE MUNICIPALITY OF ITS DECISION AND
25 ADVISE THE MUNICIPALITY OF THE BOARD'S REASON OR REASONS FOR
26 DISAPPROVAL. THE BOARD SHALL ESTABLISH RULES AND REGULATIONS, IN
27 ACCORDANCE WITH THE PROVISIONS OF CLAUSE (10) OF SECTION 104 OF
28 THIS ACT, GOVERNING THE DETAILS OF THE PROCEDURES TO BE FOLLOWED
29 IN THE WITHDRAWAL OF MUNICIPALITIES FROM THE SYSTEM.

30 Section 215. Procedures for Amending Contracts.--Any

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

20 ARTICLE III

21 PROVISIONS RELATING TO MUNICIPAL FIREMEN AND MUNICIPAL POLICE

22 Section 301. Purpose.--This article shall provide for the
23 uninterrupted continuation of retirement plans established under
24 the act of July 31, 1968 (P.L.944, No.291), known as the
25 "Municipal Police Retirement Law." It shall also provide for the
26 enrollment of municipal firemen and municipal police of new
27 municipalities joining the system at the contribution rates and
28 benefit rates outlined in this article of the act.

29 Section 302. Transfer of the Municipal Police Retirement
30 Fund to the Pennsylvania Municipal Retirement Fund.--On the

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

14 Section 303. Existing Local Retirement Systems and
15 Compulsory Membership.--Where a municipality elects to join the
16 system established by this act, and is then maintaining a
17 retirement or pension system or systems covering its employes in
18 whole or in part, those employes so covered, and employes
19 thereafter eligible to join such pension system, shall not
20 become members of the retirement system established by this act,
21 unless at the time the municipality elects to join the system,
22 the members of ~~such existing retirement or pension system shall,~~ <—
23 ~~by the affirmative vote of seventy five per cent of all the~~
24 ~~members thereof,~~ EACH SUCH EXISTING RETIREMENT OR PENSION SYSTEM <—
25 SHALL, BY THE AFFIRMATIVE VOTE OF SEVENTY-FIVE PER CENT OF ALL
26 THE MEMBERS OF EACH PENSION SYSTEM, elect to be covered by the
27 retirement system established by this act. At any time
28 thereafter, within a period of three years after the
29 municipality has elected to join the system, but not thereafter,
30 the members of an existing retirement or pension system may, in

1 like manner, elect to join the system established by this act.
2 In any such case, provisions may be made for the transfer of
3 moneys and securities in its retirement or pension fund or
4 ~~years~~ FUNDS, IN WHOLE OR IN PART, TO THE FUND ESTABLISHED BY ←
5 THIS ACT. SECURITIES SO TRANSFERRED SHALL BE ONLY THOSE
6 ACCEPTABLE TO THE BOARD. SECURITIES NOT SO ACCEPTABLE SHALL BE
7 CONVERTED INTO CASH, AND SAID CASH TRANSFERRED TO THE FUND
8 CREATED BY THIS ACT. IN ANY SUCH TRANSFER, PROVISION SHALL BE
9 MADE TO CREDIT THE ACCUMULATED DEDUCTIONS OF EACH MEMBER, AT
10 LEAST THE AMOUNT HE HAS PAID INTO THE RETIREMENT OR PENSION
11 SYSTEM OF THE MUNICIPALITY, WHICH MONEYS SHALL BE CREDITED
12 AGAINST THE PRIOR SERVICE CONTRIBUTIONS OF SUCH MEMBER, OR A
13 MUNICIPALITY MAY TURN OVER TO THE RETIREMENT SYSTEM CREATED BY
14 THIS ACT ANY EXISTING LOCAL PENSION SYSTEM ON A COMPLETELY
15 FUNDED BASIS, AS TO PENSIONERS AND PENSION CREDITS OF MEMBERS
16 RELATED TO PRIOR SERVICE TO THE DATE OF TRANSFER, OR ON A
17 PARTIALLY FUNDED BASIS IF THE MUNICIPALITY PAYS ANNUALLY INTO
18 THE RETIREMENT SYSTEM AMOUNTS SUFFICIENT TO COMPLETELY LIQUIDATE
19 THE MUNICIPALITY'S LIABILITY FOR PRIOR SERVICE WITHIN A PERIOD
20 NOT TO EXCEED THIRTY YEARS.

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

1 be deemed to have been made at the time the municipality elected
2 to join the system, and the liabilities of the municipality
3 shall be fixed accordingly.

4 If a municipality elects to cover its municipal firemen under
5 the provisions of the system created by this Article III, then
6 each municipal fireman shall be required to become a member of
7 the system.

8 If a municipality elects to cover its municipal police under
9 the provisions of the system created by this Article III, then
10 each municipal policeman shall be required to become a member of
11 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 ONE YEAR FROM THE DATE THE PROBATIONARY EMPLOYEE FIRST ENTERED
16 THE SERVICE OF THE MUNICIPALITY. IN SUCH CASES SERVICE CREDITS
17 SHALL NOT BE EARNED BY THE EMPLOYEE FOR PROBATIONARY TIME SERVED
18 PRIOR TO ENROLLMENT. ←

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

24 The board shall maintain separate accounting records for
25 municipal firemen and for municipal police. However, in the
26 interest of good investment practice, the board may, in its
27 discretion, comingle moneys received from municipalities,
28 municipal employes, municipal firemen and municipal police.

29 Section 305. Service Allowance; Change of Employment;
30 Military Service.--In computing the length of service of a

1 contributor for retirement purposes, full credit shall be given
2 to each original member for each year of service rendered to the
3 municipality prior to the time the municipality joined the
4 system.

5 As soon as practicable, the board shall issue to each
6 original member a certificate certifying the aggregate length of
7 service rendered to the municipality prior to the time it joined
8 the system. Such certificate shall be final and conclusive as to
9 his prior service unless thereafter modified by the board, upon
10 application of the member.

11 The time during which a member was absent from service
12 without pay, except for military service, shall not be counted
13 in computing the service of a contributor in his certificate, or
14 upon retirement unless specially allowed by the municipality,
15 with the approval of the board.

16 When a contributor leaves the employ of a municipality which
17 has joined the system, and enters into the employ of another
18 municipality which has also joined the system, his service
19 credits shall remain unimpaired, but in such cases the unpaid
20 municipal liability for prior service shall be prorated by the
21 board between the municipalities on an equitable basis.

22 Any municipal fireman or municipal policeman employed by a
23 municipality who has been a regularly appointed fireman or
24 policeman for a period of at least six months and is an active
25 member of the system and who thereafter, heretofore, or
26 hereafter, shall be inducted into the military service of the
27 United States in times of war, armed conflict, or National
28 emergency, so proclaimed by the President of the United States,
29 shall have credited to his employment record, for pension or
30 retirement benefits, all of the time spent by him in such

1 military service during the continuance of such war, armed
2 conflict, or National emergency if such person returns or has
3 heretofore returned to his employment within six months after
4 his separation from the service. The municipality shall, during
5 the period of the member's intervening military service,
6 continue to make current service contributions toward the
7 municipal annuity of the member. An active member may file an
8 application with the board for permission to purchase credit
9 toward his member's share of the annuity for intervening
10 military service. These contributions shall be computed by
11 applying the member's contribution rate to his annual rate of
12 compensation at the time of entry of the member into active
13 military service, and multiplying the result by the number of
14 years and fractional part of a year of creditable intervening
15 military service, together with interest from date of return to
16 employment to date of purchase. The amount due from the member
17 shall be certified by the board in accordance with methods
18 approved by the actuary, and may be paid by (1) regular monthly
19 payments during active military service, or (2) a lump sum
20 payment within thirty days, or (3) it may be amortized with
21 additional interest through salary deductions in amounts agreed
22 upon by the member and the board.

23 An active member may also purchase credit for other than
24 intervening military service performed for the United States in
25 times of war, armed conflict or National emergency, so
26 proclaimed by the President of the United States, for a period
27 not to exceed five years: Provided, That the member has
28 completed five years of service to the municipality subsequent
29 to such military service. An active member may file an
30 application with the board for permission to purchase credit for

1 nonintervening military service upon completion of five years of
2 subsequent service to the municipality. The type of service
3 credit for such service shall be determined by the date of entry
4 of the municipality into the system. If the date of the member's
5 separation from military service is prior to the date on which
6 the municipality joined the system, then the credit purchased
7 shall be considered as prior service credit. In this case the
8 amount due from the member shall be computed by applying the
9 member's basic contribution rate plus the rate of contribution
10 the municipality paid for current service during its first year
11 of entry into the system to his prior salary and multiplying the
12 result by the number of years and fractional part of a year of
13 creditable nonintervening military service, plus interest from
14 the date of the member's employment by the municipality to the
15 date of purchase. The amount due from the member shall be
16 certified by the board in accordance with methods approved by
17 the actuary, and may be paid in a lump sum within thirty days or
18 it may be amortized with additional interest through salary
19 deductions in amounts agreed upon by the member and the board.
20 If, on the other hand, the date of the member's separation from
21 military service is later than the date of entry of the
22 municipality into the system, then the credit purchased shall be
23 considered as current service credit. In this case the amount
24 due from the member shall be computed by applying the member's
25 basic contribution rate plus the municipality's normal
26 contribution rate for current service which was in effect on the
27 date of the member's entry into employment with the municipality
28 to his average annual rate of compensation over the first five
29 years of his subsequent employment and multiplying the result by
30 the number of years and fractional part of a year of creditable

1 nonintervening military service being purchased, plus interest
2 from the date of employment by the municipality to date of
3 purchase.

4 The amount due from the member shall be certified by the
5 board in accordance with methods approved by the actuary, and
6 may be paid in a lump sum within thirty days or it may be
7 amortized with additional interest through salary deductions in
8 amounts agreed upon by the member and the board.

9 The rate of interest to be charged to members on their
10 purchase of credit for intervening or nonintervening military
11 service shall be the rate being credited by the system to
12 member's contribution accounts in effect on the date of the
13 member's application, compounded annually.

14 A member may purchase credit for intervening or
15 nonintervening military service only if his discharge or
16 separation from the service was granted under other than
17 dishonorable conditions.

18 A member may not purchase credit for any military service for
19 which he is entitled to receive a retirement allowance from the
20 United States Government.

21 Applications for permission to purchase credit for military
22 service must be accompanied by proof of the nature of his
23 discharge or separation from the military service.

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

1 prior service liability over such period of years.

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

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

13 The amounts so determined by the actuary may be expressed in
14 a percentage of payroll of the municipality covering its
15 contributing members.

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

26 The payments made by the State Treasurer to the treasurer of
27 the municipality from the moneys received from taxes paid upon
28 premiums by foreign casualty insurance companies for purposes of
29 pension, retirement or disability benefits for municipal
30 policemen shall be used as follows: (i) to reduce the unfunded

1 liability or, after such liability has been funded, (ii) to
2 apply against the annual obligation of the municipality for
3 future service and disability reserve costs. It shall be the
4 duty of the governing body to apply such payments in accordance
5 with the provisions of this act.

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

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

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

29 Members' contributions shall be paid into the fund by the
30 municipality through payroll deductions in such manner and at

1 such time as the board may by rule and regulation determine.

2 Section 308. Withdrawal; Return to Service; Death in
3 Service.--(a) Should a contributor, before reaching
4 superannuation retirement age, for any reason cease to be a
5 municipal fireman or a municipal policeman, he shall be paid by
6 the board the full amount of the accumulated deductions standing
7 to his credit in the member's account, unless he is entitled to
8 vesting rights or to a retirement allowance for retirement not
9 voluntarily, and elects to exercise such vesting rights or take
10 such retirement allowance. Should such former contributor
11 thereafter return to the service of the same municipality and
12 restore to the fund, in such manner as may be agreed upon by
13 such person and the board, his withdrawn accumulated deductions
14 as they were at the time of his separation from service, his
15 annuity rights as they existed at the time of separation from
16 service shall be restored and his obligations as a member shall
17 begin again.

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

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

29 Section 309. Superannuation Retirement.--Retirement for
30 superannuation shall be as follows:

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

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

21 (3) The superannuation retirement allowance provided in this
22 section or the withdrawal allowance provided in section 311, as
23 the case may be, payable to a joint coverage member after the
24 age at which social security old age insurance benefits become
25 payable shall be reduced by an amount equal to forty per cent of
26 the primary insurance amount of social security paid or payable
27 to him. Such reduction shall be subject to the following
28 provisions: (i) the reduction in benefits in accordance with
29 this clause (3) shall not be applied in the case of an annuitant
30 until age sixty-five, unless such annuitant shall have elected

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

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

1 (5) Other provisions of this act notwithstanding, any member
2 of a police force who was a member of a pension fund created
3 under the provisions of the act of May 29, 1956 (P.L.1804,
4 No.600), and who was entitled to retire at the age of fifty-five
5 or sixty years after twenty years of total service, or at the
6 age of fifty or fifty-five after twenty-five years of service,
7 and to receive the pension provided by that act, shall have the
8 same entitlement under the system created pursuant to this act.
9 The municipal annuity, computed under subclause (ii) of clause
10 (3) above, shall be increased as needed, in addition to the
11 member's annuity, in order to pay any increased retirement
12 allowance resulting from the provisions of the act.

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

1 (b) A contributor to the system who is entitled to a
2 superannuation retirement allowance by reason of having reached
3 superannuation retirement age or who is entitled to a withdrawal
4 allowance by reason of having completed twenty-four years of
5 service and who has died in municipal service before filing with
6 the board a written application for a superannuation retirement
7 allowance as provided in subsection (a) of this section shall be
8 considered as having elected Option 1 as provided in section 312
9 as of the date of his death. In such event, payment under Option
10 1 shall be made to the beneficiary designated in the nomination
11 of beneficiary form on file with the board, or if said
12 beneficiary has predeceased the contributor, to the legal
13 representative of said contributor.

14 Section 311. Early Retirement.--Should a contributor be
15 discontinued from service not voluntarily after having completed
16 eight years of total service, or voluntarily after having
17 completed twenty-four years of total service, but in either
18 event before reaching superannuation retirement age, he shall be
19 paid as he may elect, as follows:

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

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

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

1 Section 312. Options on Superannuation or Early
2 Retirement.--At the time of his superannuation or early
3 retirement, a contributor may elect to receive his benefits in a
4 retirement allowance payable throughout his life, which shall be
5 known as a single life annuity, or instead, he may elect, to
6 receive the actuarial equivalent value at that time of his
7 retirement allowance in a lesser allowance, payable throughout
8 life with provisions that:

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

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

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

28 Section 313. Disability Retirement.--(a) After a contributor
29 has had ten or more years of total service, he may, upon
30 application or on application of one acting in his behalf, or

1 upon application of a head of the department of the municipality
2 by which he is employed, be retired by the board on a disability
3 allowance if he is under superannuation retirement age, and on a
4 superannuation retirement allowance if he has attained or passed
5 such age, if the physician designated by the board, after
6 medical examination of the contributor made at the place of
7 residence of the contributor or at a place mutually agreed upon,
8 shall certify to the board that the contributor is unable to
9 engage in any gainful employment and that said contributor ought
10 to be retired. When the disability of a contributor is
11 determined to be service-connected, as defined in this act, no
12 minimum period of service shall be required for eligibility.
13 Application filing requirements shall be identical to those
14 outlined in clause (1) of section 309.

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

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

19 (2) A municipal annuity of equivalent actuarial value to the
20 present value of a municipal annuity, beginning at
21 superannuation retirement age, calculated in accordance with the
22 provisions of section 309; and

23 (3) A disability annuity payable from the total disability
24 reserve account which, together with the member's annuity and
25 the municipal annuity, shall be sufficient to produce a
26 retirement allowance of thirty per cent of the contributor's
27 final salary. Where the disability of the member is determined
28 to be service-connected, as defined in this act, the retirement
29 allowance shall equal fifty per cent of his final salary. The
30 disability annuity shall be reduced by the amount of any

1 payments for which the member shall be eligible under the act of
2 June 2, 1915 (P.L.736, No.338), known as "The Pennsylvania
3 Workmen's Compensation Act," or the act of June 21, 1939
4 (P.L.566, No.284), known as "The Pennsylvania Occupational
5 Disease Act."

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

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

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

1 (f) Should a disability annuitant die before the total
2 disability retirement allowance received shall be at least equal
3 to the amount of his accumulated deductions at the time of
4 disability retirement, then the board shall pay to the named
5 beneficiary, if living, or if the named beneficiary predeceased
6 the annuitant, or no beneficiary was named, then to the
7 annuitant's estate, an amount equal to the difference between
8 such total retirement allowance received and the annuitant's
9 accumulated deductions, and if such difference is less than one
10 hundred dollars (\$100) and no letters have been taken out on the
11 estate within six months after death, then such difference may
12 be paid to the undertaker or to any person or municipality who
13 or which shall have paid the claim of the undertaker.

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

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

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

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

29 (3) Upon reaching superannuation retirement age, a
30 superannuation retirement allowance as computed under the

1 provisions of section 309.

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

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

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

10 (3) Upon reaching superannuation retirement age, a
11 superannuation retirement allowance as computed under the
12 provisions of section 309.

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

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

25 ~~Section 316. Withdrawal Provisions. At any time within~~ <—
26 ~~three years after a municipality has initially joined the~~
27 ~~retirement system created or continued under this Article III it~~
28 ~~may withdraw from the system if it has met all of its financial~~
29 ~~obligations to the fund. The member's contributions of the~~
30 ~~withdrawing municipality's employes shall be returned to the~~

1 ~~members. No refund of any contributions paid by the municipality~~
2 ~~shall be made and these moneys shall remain in the Pennsylvania~~
3 ~~Municipal Retirement Fund for the benefit of the remaining~~
4 ~~members. Any such withdrawal must be effected through an~~
5 ~~ordinance or resolution containing the affirmative vote of~~
6 ~~seventy five per cent of all of the members of its legislative~~
7 ~~body and if the legislative body is composed of only three~~
8 ~~persons, then by an unanimous affirmative vote. In all cases an~~
9 ~~affirmative vote approving such action by seventy five per cent~~
10 ~~of the municipal employes affected by the ordinance or~~
11 ~~resolution must be certified by the municipality to the board.~~

12 ~~Thereafter, no municipality, after it has joined the system~~
13 ~~under the provisions of this Article III, shall be permitted to~~
14 ~~withdraw therefrom, and, in the case of failure to make payments~~
15 ~~as required by this act, the Commonwealth shall withhold payment~~
16 ~~to the municipality any funds to which the municipality may be~~
17 ~~entitled for pension purposes. The board may recover any sums~~
18 ~~due to the fund by suit at law, or other appropriate remedy.~~

19 SECTION 316. WITHDRAWAL PROVISIONS.--A MUNICIPALITY WHICH <—
20 HAS JOINED THE RETIREMENT SYSTEM CREATED OR CONTINUED UNDER THIS
21 ARTICLE III MAY, FOR GOOD AND STATED CAUSE, FILE AN APPLICATION
22 WITH THE BOARD FOR PERMISSION TO WITHDRAW FROM THE SYSTEM IF IT
23 MEETS ALL OF THE FOLLOWING REQUIREMENTS:

24 (1) THE MUNICIPALITY HAS BEEN ENROLLED IN THE SYSTEM FOR A
25 PERIOD OF AT LEAST FIVE YEARS.

26 (2) THE MUNICIPALITY HAS MET ALL OF ITS FINANCIAL
27 OBLIGATIONS TO THE SYSTEM.

28 (3) THE LEGISLATIVE BODY OF THE MUNICIPALITY HAS PASSED AN
29 ORDINANCE OR RESOLUTION SIGNIFYING ITS INTENTION TO WITHDRAW
30 FROM THE SYSTEM.

1 (4) THE MUNICIPALITY HAS CERTIFIED TO THE BOARD THAT AN
2 AFFIRMATIVE VOTE APPROVING WITHDRAWAL FROM THE SYSTEM HAD BEEN
3 OBTAINED FROM AT LEAST SEVENTY-FIVE PER CENT OF ALL OF THE
4 MUNICIPAL EMPLOYES AFFECTED BY THE ORDINANCE OR RESOLUTION.

5 THE BOARD SHALL WITHIN NINETY DAYS OF ITS RECEIPT, TAKE
6 ACTION ON AN APPLICATION FILED BY A MUNICIPALITY FOR PERMISSION
7 TO WITHDRAW FROM THE SYSTEM. IF THE APPLICATION IS APPROVED THE
8 WITHDRAWING MUNICIPALITY SHALL BE ENTITLED TO RECEIVE A NET
9 REFUND OF THE AMOUNTS THEN STANDING TO THE CREDIT OF THE
10 MUNICIPALITY IN THE MEMBER'S ACCOUNT, THE MUNICIPAL ACCOUNT AND
11 THE RETIRED MEMBER'S RESERVE ACCOUNTS OF THE SYSTEM. IN NO EVENT
12 SHALL THE TOTAL AMOUNT OF THE NET REFUND TO THE MUNICIPALITY
13 EXCEED THE PRO RATA INTEREST OF THE WITHDRAWING MUNICIPALITY IN
14 THE NET ASSETS OF THE ENTIRE FUND BASED ON THE MARKET VALUE OF
15 THE INVESTMENTS OF THE FUND AS OF THE DATE OF RECEIPT OF THE
16 APPLICATION FOR PERMISSION TO WITHDRAW. THE LIABILITY FOR THE
17 CONTINUATION OF RETIREMENT OR DISABILITY ALLOWANCES BEING PAID
18 FROM THE FUND SHALL ATTACH AGAINST THE WITHDRAWING MUNICIPALITY
19 AND BE PAID FROM FUNDS TRANSFERRED TO A RETIREMENT SYSTEM
20 ESTABLISHED SUBSEQUENT TO ITS WITHDRAWAL FROM THE SYSTEM OR FROM
21 MONEYS APPROPRIATED ANNUALLY FROM TAX REVENUES SUFFICIENT TO PAY
22 THE SAME. IF THE BOARD DISAPPROVES THE APPLICATION OF THE
23 MUNICIPALITY FOR PERMISSION TO WITHDRAW FROM THE SYSTEM THE
24 BOARD SHALL PROMPTLY NOTIFY THE MUNICIPALITY OF ITS DECISION AND
25 ADVISE THE MUNICIPALITY OF THE BOARD'S REASON OR REASONS FOR
26 DISAPPROVAL. THE BOARD SHALL ESTABLISH RULES AND REGULATIONS, IN
27 ACCORDANCE WITH THE PROVISIONS OF CLAUSE (10) OF SECTION 104 OF
28 THIS ACT, GOVERNING THE DETAILS OF THE PROCEDURES TO BE FOLLOWED
29 IN THE WITHDRAWAL OF MUNICIPALITIES FROM THE SYSTEM.

30 Section 317. Procedures for Amending Contracts.--Any

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

20 ARTICLE IV

21 OPTIONAL RETIREMENT PLANS

22 Section 401. Purpose.--This article shall provide for the
23 enrollment of those municipalities in the Pennsylvania Municipal
24 Retirement System which want to offer retirement benefits to
25 their employes different from those available under Article II
26 and Article III of this act. It shall also provide for
27 increasing member benefits for municipalities formerly enrolled
28 under the provisions of Article II and Article III of this act.

29 Section 402. Existing Local Retirement Systems and
30 Compulsory and Optional Membership.--Where a municipality elects

1 to join the system established by this act, and is then
2 maintaining a retirement or pension system or systems covering
3 its employes in whole or in part, those employes so covered, and
4 employes thereafter eligible to join such pension system, shall
5 not become members of the retirement system established by this
6 act, unless at the time the municipality elects to join the
7 system, the members of ~~such existing retirement or pension~~ ←
8 ~~system shall, by the affirmative vote of seventy five per cent~~
9 ~~of all the members thereof,~~ EACH SUCH EXISTING RETIREMENT OR ←
10 PENSION SYSTEM SHALL, BY THE AFFIRMATIVE VOTE OF SEVENTY-FIVE
11 PER CENT OF ALL THE MEMBERS OF EACH PENSION SYSTEM, elect to be
12 covered by the retirement system established by this act. At any
13 time thereafter, within a period of three years after the
14 municipality has elected to join the system, but not thereafter,
15 the members of an existing retirement or pension system may, in
16 like manner, elect to join the system established by this act.
17 In any such case, provisions may be made for the transfer of
18 moneys and securities in its retirement or pension fund or
19 ~~years.~~ FUNDS, IN WHOLE OR IN PART, TO THE FUND ESTABLISHED BY ←
20 THIS ACT. SECURITIES SO TRANSFERRED SHALL BE ONLY THOSE
21 ACCEPTABLE TO THE BOARD. SECURITIES NOT SO ACCEPTABLE SHALL BE
22 CONVERTED INTO CASH, AND SAID CASH TRANSFERRED TO THE FUND
23 CREATED BY THIS ACT. IN ANY SUCH TRANSFER, PROVISION SHALL BE
24 MADE TO CREDIT THE ACCUMULATED DEDUCTIONS OF EACH MEMBER, AT
25 LEAST THE AMOUNT HE HAS PAID INTO THE RETIREMENT OR PENSION
26 SYSTEM OF THE MUNICIPALITY, WHICH MONEYS SHALL BE CREDITED
27 AGAINST THE PRIOR SERVICE CONTRIBUTIONS OF SUCH MEMBER, OR A
28 MUNICIPALITY MAY TURN OVER TO THE RETIREMENT SYSTEM CREATED BY
29 THIS ACT ANY EXISTING LOCAL PENSION SYSTEM ON A COMPLETELY
30 FUNDED BASIS, AS TO PENSIONERS AND PENSION CREDITS OF MEMBERS

1 RELATED TO PRIOR SERVICE TO THE DATE OF TRANSFER, OR ON A
2 PARTIALLY FUNDED BASIS IF THE MUNICIPALITY PAYS ANNUALLY INTO
3 THE RETIREMENT SYSTEM AMOUNTS SUFFICIENT TO COMPLETELY LIQUIDATE
4 THE MUNICIPALITY'S LIABILITY FOR PRIOR SERVICE WITHIN A PERIOD
5 NOT TO EXCEED THIRTY YEARS.

6 No liability, on account of retirement allowances or pensions
7 being paid from any retirement or pension fund of the
8 municipality, shall attach against the fund, except as provided
9 in the agreement, making a transfer of an existing system in
10 accordance with this section. The liability to continue payment
11 of pensions not so transferred shall attach against the
12 municipality, which shall annually make appropriations from its
13 tax revenues sufficient to pay the same. In cases where workers
14 covered by an existing retirement or pension system elect to
15 join the system created by this act, the election to join shall
16 be deemed to have been made at the time the municipality elected
17 to join the system, and the liabilities of the municipality
18 shall be fixed accordingly.

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

1 When a municipality elects to enroll its municipal employes
2 into the system, then each officer other than elected officers,
3 and each municipal employe thereof, employed on a permanent
4 basis, shall be required to become a member of the system. Each
5 municipality shall determine whether membership in said system
6 for elected officials and employes hired on a temporary or
7 seasonal basis shall be compulsory, optional or prohibited.
8 Where membership may be optional with an elected officer or an
9 employe hired on a temporary or seasonal basis, an election to
10 join the system must be made within one year after the
11 municipality elected to join the system or within one year after
12 the officer or temporary or seasonal employe first entered the
13 service of the municipality. Officers and employes paid only on
14 a fee basis shall not be eligible to join the system.

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

19 When a municipality has established a policy of placing new
20 employes on a probationary status it may elect to refrain from
21 enrolling such employes into the system for a period of up to
22 ~~six months~~ ONE YEAR from the date the probationary employe first ←
23 entered the service of the municipality. In such cases service
24 credits shall not be earned by the employe for probationary time
25 served prior to enrollment.

26 Section 403. Contract Provisions.--Any contract for an
27 optional retirement plan entered into between a municipality and
28 the board shall not provide for any benefits in excess of or
29 minimum member's contribution rates less than those available to
30 that municipality for that class of employes under any existing

1 law pertaining to the establishment of a retirement or pension
2 system.

3 The contract shall specifically state the following terms and
4 conditions:

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

8 (2) Length of service requirements which must be met before
9 a member becomes eligible for either a superannuation retirement
10 allowance, an early retirement allowance and the method of
11 determining any reduction factors involved in the computation of
12 the amount of the allowance because of retirement prior to
13 attaining superannuation age.

14 (3) Provisions for the refunding of accumulated deductions
15 to employees who leave the service of the municipality before
16 they become eligible for any type of retirement benefit and
17 whether or not the employe shall be entitled to interest earned
18 on contributions.

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

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

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

28 (7) The formula used to determine the amount of normal
29 retirement benefits, including an explanation of the salary or
30 compensation to be used in the computations, and a statement

1 concerning any social security offset provisions included in the
2 contract.

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

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

7 (10) The manner in which the rate or rates of employe
8 contributions shall be determined, together with any provisions
9 for additional voluntary contributions.

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

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

16 (13) The manner in which credit for any allowable military
17 service shall be determined and the manner in which costs of
18 service shall be paid.

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

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

1 The municipal liability to be determined by the actuary shall
2 be based upon credit for those years of prior service toward the
3 municipal annuity of each original member, for which the
4 municipality has agreed to pay, plus any liability for payment
5 of the member's contributions for the prior service or any
6 portion thereof of each original member which the municipality
7 has agreed to pay.

8 The actuary shall also determine, from time to time, the
9 amount which shall be contributed annually by each municipality
10 for service credits of original and new members subsequent to
11 the time the municipality joined the system, and the additional
12 amount which shall be contributed annually by each municipality
13 toward a reserve account for disability allowance payable to
14 original and new members, in order that all future service
15 liability may be fully funded on an actuarial basis.

16 The amounts so determined by the actuary may be expressed in
17 a percentage of the payroll of the municipality covering its
18 contributing members.

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

30 The payments made by the State Treasurer to the treasurer of

1 the municipality from the moneys received from taxes paid upon
2 premiums by foreign casualty insurance companies for purposes of
3 pension, retirement or disability benefits for municipal
4 policemen shall be used as follows: (i) to reduce the unfunded
5 liability or, after such liability has been funded, (ii) to
6 apply against the annual obligation of the municipality for
7 future service and disability reserve costs, and (iii) to reduce
8 member contributions. It shall be the duty of the governing body
9 to apply such payments in accordance with the provisions of this
10 act.

11 The cost of making the valuations required by this section
12 and in the transfer of any existing pension system of any
13 municipality, shall be part of the costs of administration of
14 this act.

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

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

27 When a member is employed by more than one municipality, he
28 shall be required to make contributions on account of his salary
29 paid by each municipality. In such cases the board shall provide
30 for the consolidation of credits of the contributor, and upon

1 his retirement, for a consolidated retirement allowance.

2 When a contributor leaves the employ of a municipality which
3 has joined the system, and enters into the employ of another
4 municipality which has also joined the system, his service
5 credits shall remain unimpaired, but in such cases any unpaid
6 municipal liability for prior service shall be prorated by the
7 board between the municipalities on an equitable basis.

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

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

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

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

26 (e) Should a contributor die while in service, and before
27 becoming eligible for any other benefits contained in the
28 contract, the full amount of his contributions, either with or
29 without interest earned as stipulated in the contract, shall be
30 paid to his estate, or to such person, if living, as he shall

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

12 Section 407. Superannuation Retirement.--Retirement for
13 superannuation shall be as follows:

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

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

29 Section 408. Early Retirement.--Should a member be
30 discontinued from service not voluntarily, after having

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

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

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

10 Section 409. Options on Superannuation or Early
11 Retirement.--At the time of his superannuation or early
12 retirement, a contributor may elect to receive his benefits in a
13 retirement allowance payable throughout his life, which shall be
14 known as a single life annuity, or instead, he may elect to
15 receive the actuarial equivalent at that time of his retirement
16 allowance in a lesser allowance, payable throughout life with
17 provisions that:

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

1 beneficiary.

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

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

8 (4) Option 4. Any other optional form of payment contained
9 in the contract.

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

18 Section 411. Disability Retirement.--(a) After a member has
19 had the required number of years of total service as stated in
20 the contract, he may, upon application or on the application of
21 one acting in his behalf, or upon application of a head of the
22 department of the municipality by which he is employed, be
23 retired by the board on a disability allowance if he is under
24 superannuation retirement age, and on a superannuation
25 retirement allowance if he has attained or passed such age, if
26 the physician designated by the board, after medical examination
27 of the member made at the place of residence of the member or at
28 a place mutually agreed upon, shall certify to the board that
29 the member is unable to engage in any gainful employment and
30 that said member ought to be retired. Where the disability of a

1 member is determined to be service-connected, as defined in this
2 act, no minimum period of service shall be required for
3 eligibility. Requirements for filing applications shall be
4 identical to those outlined in clause (1) of section 407.

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

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

23 (d) Should a disability annuitant, while under
24 superannuation retirement age, refuse to submit to at least one
25 medical examination in any year by a physician designated by the
26 board, his disability retirement allowance shall be discontinued
27 until the withdrawal of such refusal, and should such refusal
28 continue for one year, then all his right in and to any
29 disability retirement allowance or for early involuntary
30 retirement allowance provided for by this act, shall be

1 forfeited.

2 (e) Any contributor entitled to retire for disability may,
3 in lieu of such retirement, if he has a required number of years
4 of total service, elect to retire not voluntarily under the
5 provisions of this act if such provisions are included in the
6 contract.

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

25 ~~Section 412. Withdrawal Provisions. At any time within~~ <—
26 ~~three years after a municipality has initially joined the~~
27 ~~retirement system created under this Article IV it may withdraw~~
28 ~~from the system if it has met all of its financial obligations~~
29 ~~to the fund. The member's contributions of the withdrawing~~
30 ~~municipality's employees shall be returned to the members. No~~

1 ~~refund of any contributions paid by the municipality shall be~~
2 ~~made and these moneys shall remain in the Pennsylvania Municipal~~
3 ~~Retirement Fund for the benefit of the remaining members. Any~~
4 ~~such withdrawal must be effected through an ordinance or~~
5 ~~resolution containing the affirmative vote of seventy five per~~
6 ~~cent of all of the members of its legislative body and if the~~
7 ~~legislative body is composed of only three persons, then by an~~
8 ~~unanimous affirmative vote. In all cases an affirmative vote~~
9 ~~approving such action by seventy five per cent of the municipal~~
10 ~~employees affected by the ordinance or resolution must be~~
11 ~~certified by the municipality to the board.~~

12 ~~Thereafter, no municipality, after it has joined the system~~
13 ~~under the provisions of this Article IV, shall be permitted to~~
14 ~~withdraw therefrom, and, in the case of failure to make payments~~
15 ~~as required by this act, the Commonwealth shall withhold payment~~
16 ~~to the municipality any funds to which the municipality may be~~
17 ~~entitled for pension purposes. The board may recover any sums~~
18 ~~due to the fund by suit at law, or other appropriate remedy.~~

19 SECTION 412. WITHDRAWL PROVISIONS.--A MUNICIPALITY WHICH HAS <—
20 JOINED THE RETIREMENT SYSTEM CREATED OR CONTINUED UNDER THIS
21 ARTICLE IV MAY, FOR GOOD AND STATED CAUSE, FILE AN APPLICATION
22 WITH THE BOARD FOR PERMISSION TO WITHDRAW FROM THE SYSTEM IF IT
23 MEETS ALL OF THE FOLLOWING REQUIREMENTS:

24 (1) THE MUNICIPALITY HAS BEEN ENROLLED IN THE SYSTEM FOR A
25 PERIOD OF AT LEAST FIVE YEARS.

26 (2) THE MUNICIPALITY HAS MET ALL OF ITS FINANCIAL
27 OBLIGATIONS TO THE SYSTEM.

28 (3) THE LEGISLATIVE BODY OF THE MUNICIPALITY HAS PASSED AN
29 ORDINANCE OR RESOLUTION SIGNIFYING ITS INTENTION TO WITHDRAW
30 FROM THE SYSTEM.

1 (4) THE MUNICIPALITY HAS CERTIFIED TO THE BOARD THAT AN
2 AFFIRMATIVE VOTE APPROVING WITHDRAWAL FROM THE SYSTEM HAD BEEN
3 OBTAINED FROM AT LEAST SEVENTY-FIVE PER CENT OF ALL OF THE
4 MUNICIPAL EMPLOYES AFFECTED BY THE ORDINANCE OR RESOLUTION.

5 THE BOARD SHALL WITHIN NINETY DAYS OF ITS RECEIPT, TAKE
6 ACTION ON AN APPLICATION FILED BY A MUNICIPALITY FOR PERMISSION
7 TO WITHDRAW FROM THE SYSTEM. IF THE APPLICATION IS APPROVED THE
8 WITHDRAWING MUNICIPALITY SHALL BE ENTITLED TO RECEIVE A NET
9 REFUND OF THE AMOUNTS THEN STANDING TO THE CREDIT OF THE
10 MUNICIPALITY IN THE MEMBER'S ACCOUNT, THE MUNICIPAL ACCOUNT AND
11 THE RETIRED MEMBER'S RESERVE ACCOUNTS OF THE SYSTEM. IN NO EVENT
12 SHALL THE TOTAL AMOUNT OF THE NET REFUND TO THE MUNICIPALITY
13 EXCEED THE PRO RATA INTEREST OF THE WITHDRAWING MUNICIPALITY IN
14 THE NET ASSETS OF THE ENTIRE FUND BASED ON THE MARKET VALUE OF
15 THE INVESTMENTS OF THE FUND AS OF THE DATE OF RECEIPT OF THE
16 APPLICATION FOR PERMISSION TO WITHDRAW. THE LIABILITY FOR THE
17 CONTINUATION OF RETIREMENT OR DISABILITY ALLOWANCES BEING PAID
18 FROM THE FUND SHALL ATTACH AGAINST THE WITHDRAWING MUNICIPALITY
19 AND BE PAID FROM FUNDS TRANSFERRED TO A RETIREMENT SYSTEM
20 ESTABLISHED SUBSEQUENT TO ITS WITHDRAWAL FROM THE SYSTEM OR FROM
21 MONEYS APPROPRIATED ANNUALLY FROM TAX REVENUES SUFFICIENT TO PAY
22 THE SAME. IF THE BOARD DISAPPROVES THE APPLICATION OF THE
23 MUNICIPALITY FOR PERMISSION TO WITHDRAW FROM THE SYSTEM THE
24 BOARD SHALL PROMPTLY NOTIFY THE MUNICIPALITY OF ITS DECISION AND
25 ADVISE THE MUNICIPALITY OF THE BOARD'S REASON OR REASONS FOR
26 DISAPPROVAL. THE BOARD SHALL ESTABLISH RULES AND REGULATIONS, IN
27 ACCORDANCE WITH THE PROVISIONS OF CLAUSE (10) OF SECTION 104 OF
28 THIS ACT, GOVERNING THE DETAILS OF THE PROCEDURES TO BE FOLLOWED
29 IN THE WITHDRAWAL OF MUNICIPALITIES FROM THE SYSTEM.

30 Section 413. Procedures for Amending Contracts.--Any

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

20 ARTICLE V

21 REPEALS AND EFFECTIVE DATE

22 Section 501. Repeals.--The following act are repealed
23 absolutely:

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

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

28 Section 502. Effective Date.--This act shall take effect in
29 ninety days.