
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 546 Session of
2013

INTRODUCED BY TURZAI, DERMODY, CALTAGIRONE, SACCONI, ROZZI,
MUSTIO, D. COSTA, GINGRICH, DELUCA AND RAVENSTAHL,
FEBRUARY 5, 2013

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 5, 2013

AN ACT

1 Amending the act of July 28, 1953 (P.L.723, No.230), entitled,
2 as amended, "An act relating to counties of the second class
3 and second class A; amending, revising, consolidating and
4 changing the laws relating thereto," in employees' retirement
5 system, further defining "compensation"; further providing
6 for retirement board; providing for tax qualification; and
7 further providing for employees eligible for retirement
8 allowances and for amount of retirement allowances.

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

11 Section 1. The definition of "compensation" in section 1701
12 of the act of July 28, 1953 (P.L.723, No.230), known as the
13 Second Class County Code, amended July 6, 1984 (P.L.638, No.
14 131), is amended to read:

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

18 * * *

19 "Compensation," [pickup] (1) Pickup contributions plus
20 salary or wages received per day, weekly, bi-weekly, semi-

1 monthly, monthly, annually, or during an official term year.

2 (2) For employes hired on or after the effective date of
3 this paragraph, the term shall not include overtime pay.

4 * * *

5 Section 2. Section 1703 of the act is amended to read:

6 Section 1703. Retirement Board.--The retirement system shall
7 be under the sole direction of a board, which shall consist of
8 the county [commissioners, the treasurer, the controller,] chief
9 executive; one member, who shall be a member of the retirement
10 system, appointed by the chief executive with the consent of
11 county council; one member, who shall be a member of the
12 retirement system, appointed by county council; the controller;
13 the treasurer; and two persons elected by ballot from among the
14 members of the retirement system[, one to serve for two years
15 and one for four years. Following the completion of the initial
16 terms, the stated]. The terms of such members shall be four
17 years. Ballots shall be mailed to each member of the retirement
18 system at least twenty (20) days prior to the date of the
19 election. A vacancy occurring during the term of any member of
20 the board shall be filled for the unexpired term by the
21 appointment or election of a successor in the same manner as his
22 predecessor. A majority of the members of the board shall
23 constitute a quorum for the transaction of any business.

24 Section 3. The act is amended by adding a section to read:

25 Section 1704.1. Tax Qualification.--The board may make such
26 technical changes to the retirement plan as are necessary in
27 order to qualify the retirement system and fund under section
28 401(a) of the Internal Revenue Code of 1986 (Public Law 99-514,
29 26 U.S.C. § 401(c)).

30 Section 4. Section 1710(a), (b) and (h) of the act, amended

1 January 27, 1998 (P.L.1, No.1) and June 18, 1998 (P.L.693,
2 No.89), are amended to read:

3 Section 1710. Employees Eligible for Retirement Allowances.--

4 (a) (1) Every [present or future] county employe hired prior
5 to the effective date of paragraph (2), who has reached the age
6 of sixty years or upwards and who has to his or her credit a
7 period of service of eight years, but less than twenty years
8 shall, upon application to the board, be eligible for retirement
9 from service, and shall thereafter receive, during life, except
10 as hereinafter provided, a retirement allowance computed on a
11 service period of twenty (20) years which shall equal one
12 twentieth (1/20) of such amount as he or she may be eligible to
13 receive in accordance with the provisions of subsection (a) of
14 section 1712, for each year's service which such county employe
15 may have to his or her credit during the aforesaid period of
16 time. The time spent in the employ of the county or county
17 institution district need not necessarily have been continuous.
18 The aforesaid retirement allowance shall be subject to a
19 suspension thereof in accordance with the provisions of
20 subsection (h) of this section 1710 and subsection (c) of
21 section 1712.

22 (2) Every county employe hired on or after the effective
23 date of this paragraph who has reached the age of sixty years or
24 upwards and who has to his or her credit a period of service of
25 ten years, but less than twenty-five years shall, upon
26 application to the board, be eligible for retirement from
27 service, and shall thereafter receive, during life, except as
28 hereinafter provided, a retirement allowance computed on a
29 service period of twenty-five years which shall equal one
30 twenty-fifth of such amount as he or she may be eligible to

1 receive in accordance with the provisions of subsection (a) of
2 section 1712, for each year's service which such county employe
3 may have to his or her credit during the aforesaid period of
4 time. The time spent in the employ of the county or county
5 institution district need not necessarily have been continuous.
6 The aforesaid retirement allowance shall be subject to a
7 suspension thereof in accordance with the provisions of
8 subsection (h) of this section 1710 and subsection (c) of
9 section 1712.

10 (b) (1) Every [present or future] county employe hired
11 prior to the effective date of paragraph (2), other than a
12 member of the police force or the fire department or a fire
13 inspector or a sheriff or deputy sheriff, has reached the age of
14 sixty years or upwards and who has to his or her credit a period
15 of service of twenty years or more, and every county employe who
16 is a member of the police force or the fire department or a fire
17 inspector, and who shall have been a county employe during a
18 period of twenty or more years and has reached the age of fifty
19 years or upwards shall, upon application to the board, be
20 eligible for retirement from service, and shall thereafter
21 receive, during life, except as hereinafter provided, a
22 retirement allowance plus a service increment if any, in
23 accordance with the provisions of section 1712. Every county
24 officer or employe who is a sheriff, deputy sheriff, prison
25 guard or probation officer who shall have been a county officer
26 or employe during a period of twenty or more years and has
27 reached the age of fifty-five years or upward, shall, upon
28 application to the board, be eligible for retirement from
29 service and shall thereafter receive, during life, except as
30 hereafter provided, a retirement allowance in accordance with

1 section 1712. The time spent in the employ of the county or
2 county institution district need not necessarily have been
3 continuous: Provided, That when any county employe has twenty or
4 more years service, not necessarily continuous, and has not
5 reached the age of sixty years or upwards, and shall be
6 separated from the service of the county or county institution
7 district by reason of no cause or act of his or her own, upon
8 application to the board he or she shall thereafter receive,
9 during life, except as hereinafter provided, a retirement
10 allowance plus a service increment if any, in accordance with
11 the provisions of section 1713. The aforesaid retirement
12 allowance plus a service increment if any, shall be subject to a
13 suspension thereof in accordance with the provisions of
14 subsection (h) of this section 1710 and subsection (c) of
15 section 1712.

16 (2) Every county employe hired on or after the effective
17 date of this paragraph, other than a member of the police force
18 or the fire department or a fire inspector or a sheriff or
19 deputy sheriff, prison guard or probation officer, who has
20 reached the age of sixty years or upwards and who has to his or
21 her credit a period of service of twenty-five years or more, and
22 every county employe who is a member of the police force or the
23 fire department or a fire inspector, and who shall have been a
24 county employe during a period of twenty-five or more years and
25 has reached the age of fifty years or upwards shall, upon
26 application to the board, be eligible for retirement from
27 service, and shall thereafter receive, during life, except as
28 hereinafter provided, a retirement allowance plus a service
29 increment if any, in accordance with the provisions of section
30 1712. Every county officer or employe who is a sheriff, deputy

1 sheriff, prison guard or probation officer who shall have been a
2 county officer or employe during a period of twenty-five or more
3 years and has reached the age of fifty-five years or upwards,
4 shall, upon application to the board, be eligible for retirement
5 from service and shall thereafter receive, during life, except
6 as hereafter provided, a retirement allowance in accordance with
7 section 1712. The time spent in the employ of the county or
8 county institution district need not necessarily have been
9 continuous: Provided, That when any county employe has twenty-
10 five or more years service, not necessarily continuous, and has
11 not reached the age of sixty years or upwards, and shall be
12 separated from the service of the county or county institution
13 district by reason of no cause or act of his or her own, upon
14 application to the board he or she shall thereafter receive,
15 during life, except as hereinafter provided, a retirement
16 allowance plus a service increment if any, in accordance with
17 the provisions of section 1713. The aforesaid retirement
18 allowance plus a service increment if any, shall be subject to a
19 suspension thereof in accordance with the provisions of
20 subsection (h) of this section 1710 and subsection (c) of
21 section 1712.

22 * * *

23 (h) (1) Option I. Any [present or future] county employe
24 hired prior to the effective date of paragraph (1.1) who has not
25 reached sixty years of age, and who has to his or her credit a
26 period of at least the minimum number of years of service
27 specified in subsection [(a)] (a)(1) of this section but less
28 than twenty years of service, shall upon application to the
29 board be eligible to receive at age sixty years a retirement
30 allowance computed on a service period of twenty years, which

1 shall equal one-twentieth of such amount as he or she may be
2 eligible to receive in accordance with the provisions of
3 subsection (a) of section 1712 for each year's service which
4 such county employe may have to his or her credit during the
5 aforesaid period of time. The time spent in the employ of the
6 county or county institution district need not necessarily have
7 been continuous.

8 (1.1) Option I-A. Any county employe hired on or after the
9 effective date of this paragraph who has not reached sixty years
10 of age, and who has to his or her credit a period of at least
11 the minimum number of years of service specified in subsection
12 (a) (2) of this section but less than twenty-five years of
13 service, shall upon application to the board be eligible to
14 receive at age sixty years a retirement allowance computed on a
15 service period of twenty-five years, which shall equal one-
16 twenty-fifth of such amount as he or she may be eligible to
17 receive in accordance with the provisions of subsection (a) of
18 section 1712 for each year's service which such county employe
19 may have to his or her credit during the aforesaid period of
20 time. The time spent in the employ of the county or county
21 institution district need not necessarily have been continuous.

22 (2) Option II. Any [present or future] county employe hired
23 prior to the effective date of paragraph (2.1) who has not
24 reached sixty years of age, and who has to his or her credit a
25 period of the minimum number of years of service specified in
26 subsection [(a)] (a) (1) of this section but less than twenty
27 years of service, shall upon application to the board be
28 eligible to receive thereafter, a retirement computed on a
29 service period of twenty years, which shall equal one-twentieth
30 of such amount as he or she may be eligible to receive in

1 accordance with the provisions of subsection (a) of section 1712
2 for each year's service which such county employe may have to
3 his or her credit during the aforesaid period of time. Further,
4 the above retirement allowance shall be subject to a reduction
5 of one-half of one per centum for each month under the age of
6 sixty years. In no event shall a retirement allowance be paid
7 until the age of fifty-five years is attained. The time spent in
8 the employ of the county or county institution district need not
9 necessarily have been continuous. The aforesaid retirement
10 allowance elected under Option I shall become null and void if
11 said county or county institution district employe is reemployed
12 prior to age sixty in accordance with the provisions of
13 subsection (c) of section 1712.

14 (2.1) Option II-A. Any county employe hired on or after the
15 effective date of this paragraph who has not reached sixty years
16 of age, and who has to his or her credit a period of the minimum
17 number of years of service specified in subsection (a) (2) of
18 this section but less than twenty-five years of service, shall
19 upon application to the board be eligible to receive thereafter,
20 a retirement computed on a service period of twenty-five years,
21 which shall equal one-twenty-fifth of such amount as he or she
22 may be eligible to receive in accordance with the provisions of
23 subsection (a) of section 1712 for each year's service which
24 such county employe may have to his or her credit during the
25 aforesaid period of time. Further, the above retirement
26 allowance shall be subject to a reduction of one-half of one per
27 centum for each month under the age of sixty years. In no event
28 shall a retirement allowance be paid until the age of fifty-five
29 years is attained. The time spent in the employ of the county or
30 county institution district need not necessarily have been

1 continuous. The aforesaid retirement allowance elected under
2 Option I-A shall become null and void if said county or county
3 institution district employe is reemployed prior to age sixty in
4 accordance with the provisions of subsection (c) of section
5 1712.

6 * * *

7 Section 5. Section 1712(a), (b.1), (e), (f) and (i) of the
8 act, amended December 10, 1970 (P.L.919, No.291), June 1, 1973
9 (P.L.37, No.19), February 9, 1984 (P.L.12, No.6), January 27,
10 1998 (P.L.1, No.1) and October 30, 2000 (P.L.616, No.85), are
11 amended to read:

12 Section 1712. Amount of Retirement Allowances.--(a) (1)
13 [The] For employes hired prior to the effective date of
14 paragraph (2), the retirement allowance paid under the
15 provisions of this article shall equal fifty per centum of the
16 amount which would constitute the average monthly compensation
17 as received by the county employe during the highest twenty-four
18 months of the last four (4) years of his employment or two years
19 on a bi-weekly pay basis in which period of time the said county
20 employe made monthly or bi-weekly contributions into the
21 retirement fund prior to his or her retirement.

22 (2) For employes hired after the effective date of this
23 paragraph, the retirement allowance paid under the provisions of
24 this article shall be equal to fifty per centum of the amount
25 which would constitute the average monthly compensation as
26 received by the county employe during the highest forty-eight
27 months of the last eight (8) years of his employment or four (4)
28 years on a bi-weekly pay basis in which period of time the
29 county employe made monthly or bi-weekly contributions into the
30 retirement fund prior to his or her retirement.

1 (3) Such average monthly compensation shall include the
2 compensation which any county employe would have been entitled
3 to and would have received except for deduction from
4 compensation due to time spent in serving as an elected State
5 official: Provided, That the county and the employe shall make
6 monthly contributions based on the last compensation equal to
7 the amount the county and he or she would have paid into the
8 retirement fund had such compensation been paid by the county.
9 In the event an employe, on the effective date of employment
10 termination, shall have less than a full year of service for the
11 purpose of computing the employe's service time, then the amount
12 of the retirement allowance, which would have been computed had
13 the employe completed a full twelve-month period for the year of
14 the termination of employment, shall be prorated upon a full
15 completed month basis for said last year of service. No
16 retirement allowance shall be computed on a monthly compensation
17 in excess of four thousand three hundred thirty-three dollars
18 and thirty-three cents (\$4,333.33) (referred to in this
19 subsection as "excess compensation") unless the employe and the
20 county have made contributions on all excess compensation
21 received by the employe during the five-year period preceding
22 the employe's retirement: Provided, That the required
23 contribution is paid into the retirement system within ninety
24 (90) days of the date of retirement. An employe who retires
25 within five (5) years of the effective date of the compensation
26 cap removal may elect to satisfy the contribution requirement by
27 making a lump sum contribution that is calculated by applying
28 the applicable contribution percentage rate to all excess
29 compensation received by the employe during the prior five-year
30 period on which contributions were not made. Within ninety (90)

1 days of such contribution by an employe, contributions shall
2 also be made by the county in an amount equal to the amount
3 contributed by the employe. The effective date of the cap
4 removal is December 31, 1999.

5 (4) After the effective date of this amendment, certain
6 former county employes who are now receiving a retirement
7 allowance shall receive an increase of a certain per centum of
8 such retirement allowance, which sum shall be computed on the
9 average monthly retirement allowance as heretofore authorized by
10 the board.

11 (5) The per centum of increase in said monthly retirement
12 allowance shall be a flat 10 per centum increase with the
13 maximum amount not to exceed forty-five dollars (\$45.00) per
14 month.

15 (6) Any employe who earns in excess of ten thousand eight
16 hundred dollars (\$10,800) per annum and shall retire during the
17 period from January 1, 1973 to December 31, 1981 shall pay, as a
18 condition to the payment of any benefits hereunder a lump sum
19 contribution into the retirement fund, which contribution shall
20 be computed as follows:

21 (i) The difference between ten thousand eight hundred
22 dollars (\$10,800) and the annual salary of the employe
23 multiplied by the number of years during which he was not an
24 employe of the county for the period aforesaid and upon that
25 amount the sum of two per centum which shall be the lump sum
26 contribution as required herein.

27 (ii) No person who is reemployed as a county employe shall
28 be eligible to receive the benefit of a retirement allowance
29 plus a service increment, if any, until he or she shall have
30 made at least twenty-four monthly or fifty-two bi-weekly

1 contributions into the retirement fund subsequent to his or her
2 reemployment. The foregoing provisions shall not have a
3 retroactive application and shall apply only to present and
4 future county employees. The rate required to be paid in
5 accordance with this provision shall apply to present county
6 employees notwithstanding the rate of contribution that the
7 present county employe has made into the retirement fund.

8 (b.1) (1) In addition to the retirement allowance which is
9 authorized by this article and notwithstanding the limitations
10 therein placed upon retirement allowances, any [present or
11 future] county employe hired prior to the effective date of
12 paragraph (2) who upon retirement shall be eligible to receive
13 payment of a retirement allowance and who has been employed as
14 such for twenty or more years during which period of time he or
15 she shall have made monthly contributions into the retirement
16 fund, shall also be eligible to the payment in addition to a
17 retirement allowance a service increment of two per centum per
18 year computed upon the annual retirement allowance to which he
19 or she is entitled. Said service increment shall be the sum
20 obtained by computing the number of full years, and any portion
21 of a year, in excess of twenty years during which period of time
22 he or she shall have made monthly or bi-weekly contributions
23 into the retirement fund. No service increment shall be paid for
24 more than twenty (20) such excess service years. Effective as of
25 January 1, 1989, in the event an employe, on the effective date
26 of employment termination, shall have less than a full year of
27 service for the purpose of computing the employe's service
28 increment, then the amount of the service increment which would
29 have been computed had the employe completed a full twelve-month
30 period for the year of the termination of employment shall be

1 prorated upon a full completed month basis for said last year of
2 service increment.

3 (2) In addition to the retirement allowance which is
4 authorized by this article and notwithstanding the limitations
5 therein placed upon retirement allowances, any county employe
6 hired on or after the effective date of this paragraph who upon
7 retirement shall be eligible to receive payment of a retirement
8 allowance and who has been employed as such for twenty-five or
9 more years during which period of time he or she shall have made
10 monthly or bi-weekly contributions into the retirement fund,
11 shall also be eligible to the payment in addition to a
12 retirement allowance a service increment of two per centum per
13 year computed upon the annual retirement allowance to which he
14 or she is entitled. Said service increment shall be the sum
15 obtained by computing the number of full years, and any portion
16 of a year, in excess of twenty-five years during which period of
17 time he or she shall have made monthly or bi-weekly
18 contributions into the retirement fund. No service increment
19 shall be paid for more than twenty (20) such excess service
20 years. In the event an employe, on the effective date of
21 employment termination, shall have less than a full year of
22 service for the purpose of computing the employe's service
23 increment, then the amount of the service increment which would
24 have been computed had the employe completed a full twelve-month
25 period for the year of the termination of employment shall be
26 prorated upon a full completed month basis for said last year of
27 service increment.

28 * * *

29 (e) Any present or future married county employe covered
30 under the provisions of this article may receive retirement

1 benefits in accordance with the provisions of this section to
2 which such county employe may be entitled or he or she may elect
3 at anytime before retirement, to receive in lieu thereof
4 benefits under the option as hereinafter set forth.

5 The option shall consist of retirement benefits in accordance
6 with the provisions of [subsections (a) and (b)] subsection (a)
7 of this section but reduced at age fifty-five, or on
8 commencement of retirement benefits if later, by ten per centum
9 plus one per centum for each full year in excess of five years
10 by which the spouse is younger than the married county employe,
11 with a maximum reduction to seventy per centum of such
12 retirement benefits, and minus one-half of one per centum for
13 each year by which the spouse is older, with a maximum increase
14 to ninety-five per centum of such retirement benefits. The
15 reduced amount of such retirement benefits shall commence at the
16 time of retirement, but not before age fifty-five, and shall be
17 paid to the employe subject to the provisions of subsection (d)
18 of this section.

19 (f) (1) The election by said county employe of the option
20 as provided in subsection (e) of this section shall be final on
21 attainment of age fifty or on later election prior to
22 retirement, and no further election shall be permitted:

23 Provided, That the election shall automatically be cancelled if
24 the county employe shall either be divorced or if his or her
25 spouse shall die, in each case before retirement benefits under
26 the option shall commence. In the event the designated spouse
27 shall predecease, or if a legal separation occurs, while on
28 retirement, the reduced retirement option benefit shall be
29 reinstated to the full amount had there been no option
30 exercised. Said reinstated amount to commence immediately upon

1 the death of the spouse so designated or upon satisfactory proof
2 of legal separation.

3 (2) All [present and future] employes hired prior to the
4 effective date of paragraph (3) may elect to provide
5 survivorship option benefits for a spouse in the following
6 classifications if the following conditions are satisfied:

7 Class I. The deceased employe shall have attained the age of
8 fifty years and had completed between the minimum number of
9 years of service specified in subsection (a) of section 1710 and
10 nineteen years of service and dies before reaching the age of
11 fifty-five years. The reduced retirement option benefit to
12 commence to the survivor at the time the deceased employe would
13 have attained the age of fifty-five years. Said benefits to be
14 paid in accordance with the provisions set forth under
15 subsection (d), Option II, of section 1713.

16 Class II. All [present and future] employes hired prior to
17 the effective date of paragraph (3), who after completion of
18 twenty or more years of service and shall die before reaching
19 the age of fifty years, his or her spouse shall be eligible to
20 receive the reduced retirement option immediately, in accordance
21 with the provisions set forth under subsection (d), Option II of
22 section 1713.

23 (3) All employes hired on or after the effective date of
24 this paragraph may elect to provide survivorship option benefits
25 for a spouse in the following classifications if the following
26 conditions are satisfied:

27 Class I-A. The deceased employe shall have attained the age
28 of fifty years and had completed between the minimum number of
29 years of service specified in subsection (a) of section 1710 and
30 twenty-four years of service and dies before reaching the age of

1 fifty-five years. The reduced retirement option benefit to
2 commence to the survivor at the time the deceased employe would
3 have attained the age of fifty-five years. Said benefits to be
4 paid in accordance with the provisions set forth under
5 subsection (d), Option II, of section 1713.

6 Class II-A. All employes hired on or after the effective
7 date of this paragraph, who after completion of twenty-five or
8 more years of service and shall die before reaching the age of
9 fifty years, his or her spouse shall be eligible to receive the
10 reduced retirement option immediately, in accordance with the
11 provisions set forth under subsection (d), Option II of section
12 1713.

13 * * *

14 (i) (1) Any county employe hired prior to the effective
15 date of paragraph (2) retiring under disability retirement
16 benefits shall qualify for survivorship option benefits if he or
17 she shall have reached the age of fifty-five years and having
18 twenty or more years of service credit will be eligible for same
19 benefits had he retired under the normal retirement provided for
20 in this act. Any county employe retiring under disability
21 retirement and having [fifteen] twelve years but less than
22 twenty years of service credit, upon reaching age fifty-five
23 will be eligible for survivorship option benefits and his or her
24 spouse shall receive the maximum amount of seventy-five dollars
25 (\$75.00) per month upon his or her death under the option
26 benefit clause as set forth under subsection (e) of this
27 section.

28 (2) Any county employe hired on or after the effective date
29 of this paragraph retiring under disability retirement benefits
30 shall qualify for survivorship option benefits if he or she

1 shall have reached the age of fifty-five years and having
2 twenty-five or more years of service credit will be eligible for
3 same benefits had he retired under the normal retirement
4 provided for in this act. Any county employe retiring under
5 disability retirement and having twelve years but less than
6 twenty-five years of service credit, upon reaching age fifty-
7 five will be eligible for survivorship option benefits and his
8 or her spouse shall receive the maximum amount of seventy-five
9 dollars (\$75.00) per month upon his or her death under the
10 option benefit clause as set forth under subsection (e) of this
11 section.

12 Section 6. This act shall take effect in 60 days.