

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL**No. 546** Session of
2013

INTRODUCED BY TURZAI, DERMODY, CALTAGIRONE, SACCONI, ROZZI,
MUSTIO, D. COSTA, GINGRICH, DeLUCA, RAVENSTAHL, READSHAW,
DEASY, WHITE, MOUL, GROVE, GABLER, FABRIZIO, DENLINGER AND
EVERETT, FEBRUARY 5, 2013

SENATOR BRUBAKER, FINANCE, IN SENATE, AS AMENDED,
OCTOBER 23, 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

1 salary or wages received per day, weekly, bi-weekly, semi-
2 monthly, monthly, annually, or during an official term year.

3 (2) For employes hired on or after the effective date of
4 this paragraph, the term shall not include overtime pay IN AN <--
5 AMOUNT IN EXCESS OF TEN PER CENTUM OF BASE PAY.

6 * * *

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

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

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

27 Section 1704.1. Tax Qualification.--The board may make such
28 technical changes to the retirement plan as are necessary in
29 order to qualify the retirement system and fund under section
30 401(a) of the Internal Revenue Code of 1986 (Public Law 99-514,

1 26 U.S.C. § 401(c).

2 Section 4. Section 1710(a), (b) and (h) of the act, amended
3 January 27, 1998 (P.L.1, No.1) and June 18, 1998 (P.L.693,
4 No.89), are amended to read:

5 Section 1710. Employes Eligible for Retirement Allowances.--

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

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

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

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

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

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

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

24 * * *

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

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

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

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

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

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

1 years is attained. The time spent in the employ of the county or
2 county institution district need not necessarily have been
3 continuous. The aforesaid retirement allowance elected under
4 Option I-A shall become null and void if said county or county
5 institution district employe is reemployed prior to age sixty in
6 accordance with the provisions of subsection (c) of section
7 1712.

8 * * *

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

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

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

1 county employe made monthly or bi-weekly contributions into the
2 retirement fund prior to his or her retirement.

3 (3) Such average monthly compensation shall include the
4 compensation which any county employe would have been entitled
5 to and would have received except for deduction from
6 compensation due to time spent in serving as an elected State
7 official: Provided, That the county and the employe shall make
8 monthly contributions based on the last compensation equal to
9 the amount the county and he or she would have paid into the
10 retirement fund had such compensation been paid by the county.
11 In the event an employe, on the effective date of employment
12 termination, shall have less than a full year of service for the
13 purpose of computing the employe's servicetime, then the amount
14 of the retirement allowance, which would have been computed had
15 the employe completed a full twelve-month period for the year of
16 the termination of employment, shall be prorated upon a full
17 completed month basis for said last year of service. No
18 retirement allowance shall be computed on a monthly compensation
19 in excess of four thousand three hundred thirty-three dollars
20 and thirty-three cents (\$4,333.33) (referred to in this
21 subsection as "excess compensation") unless the employe and the
22 county have made contributions on all excess compensation
23 received by the employe during the five-year period preceding
24 the employe's retirement: Provided, That the required
25 contribution is paid into the retirement system within ninety
26 (90) days of the date of retirement. An employe who retires
27 within five (5) years of the effective date of the compensation
28 cap removal may elect to satisfy the contribution requirement by
29 making a lump sum contribution that is calculated by applying
30 the applicable contribution percentage rate to all excess

1 compensation received by the employe during the prior five-year
2 period on which contributions were not made. Within ninety (90)
3 days of such contribution by an employe, contributions shall
4 also be made by the county in an amount equal to the amount
5 contributed by the employe. The effective date of the cap
6 removal is December 31, 1999.

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

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

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

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

29 (ii) No person who is reemployed as a county employe shall
30 be eligible to receive the benefit of a retirement allowance

1 plus a service increment, if any, until he or she shall have
2 made at least twenty-four monthly or fifty-two bi-weekly
3 contributions into the retirement fund subsequent to his or her
4 reemployment. The foregoing provisions shall not have a
5 retroactive application and shall apply only to present and
6 future county employees. The rate required to be paid in
7 accordance with this provision shall apply to present county
8 employees notwithstanding the rate of contribution that the
9 present county employe has made into the retirement fund.

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

1 have been computed had the employe completed a full twelve-month
2 period for the year of the termination of employment shall be
3 prorated upon a full completed month basis for said last year of
4 service increment.

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

30 * * *

1 (e) Any present or future married county employe covered
2 under the provisions of this article may receive retirement
3 benefits in accordance with the provisions of this section to
4 which such county employe may be entitled or he or she may elect
5 at anytime before retirement, to receive in lieu thereof
6 benefits under the option as hereinafter set forth.

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

21 (f) (1) The election by said county employe of the option
22 as provided in subsection (e) of this section shall be final on
23 attainment of age fifty or on later election prior to
24 retirement, and no further election shall be permitted:
25 Provided, That the election shall automatically be cancelled if
26 the county employe shall either be divorced or if his or her
27 spouse shall die, in each case before retirement benefits under
28 the option shall commence. In the event the designated spouse
29 shall predecease, or if a legal separation occurs, while on
30 retirement, the reduced retirement option benefit shall be

1 reinstated to the full amount had there been no option
2 exercised. Said reinstated amount to commence immediately upon
3 the death of the spouse so designated or upon satisfactory proof
4 of legal separation.

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

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

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

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

29 Class I-A. The deceased employe shall have attained the age
30 of fifty years and had completed between the minimum number of

1 years of service specified in subsection (a) of section 1710 and
2 twenty-four years of service and dies before reaching the age of
3 fifty-five years. The reduced retirement option benefit to
4 commence to the survivor at the time the deceased employe would
5 have attained the age of fifty-five years. Said benefits to be
6 paid in accordance with the provisions set forth under
7 subsection (d), Option II, of section 1713.

8 Class II-A. All employes hired on or after the effective
9 date of this paragraph, who after completion of twenty-five or
10 more years of service and shall die before reaching the age of
11 fifty years, his or her spouse shall be eligible to receive the
12 reduced retirement option immediately, in accordance with the
13 provisions set forth under subsection (d), Option II of section
14 1713.

15 * * *

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

30 (2) Any county employe hired on or after the effective date

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

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