

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2343 Session of
1990

INTRODUCED BY VAN HORNE AND MOWERY, MARCH 19, 1990

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, MARCH 19, 1990

AN ACT

1 Amending the act of December 6, 1972 (P.L.1383, No.293),
2 entitled "An act requiring municipal pension systems to have
3 an actuarial investigation of the fund made by an actuary who
4 shall report his findings to the Department of Community
5 Affairs," further providing for reports by certain
6 municipalities and local governmental units, for the filing
7 of reports and for failure to file timely reports.

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

10 Section 1. The title and sections 1, 2 and 3 of the act of
11 December 6, 1972 (P.L.1383, No.293), entitled "An act requiring
12 municipal pension systems to have an actuarial investigation of
13 the fund made by an actuary who shall report his findings to the
14 Department of Community Affairs," are amended to read:

15 AN ACT

16 Requiring certain municipal pension systems to have an actuarial
17 investigation of the fund made by an actuary who shall report
18 his findings to the [Department of Community Affairs] Public
19 Employee Retirement Study Commission.

20 Section 1. [All pension systems] Any municipality or other

1 local governmental unit which maintains a pension system for
2 municipal employees, police [and firemen] officers or
3 firefighters and which is not required to file an actuarial
4 valuation report pursuant to the act of December 18, 1984
5 (P.L.1005, No.205), known as the "Municipal Pension Plan Funding
6 Standard and Recovery Act," shall employ or retain an actuary
7 who shall be paid by the municipality or other local
8 governmental unit to make an actuarial investigation of the
9 sufficiency of pension funds to pay retirement benefits.

10 Section 2. Upon the completion of the actuarial
11 investigation, the actuary shall send a copy of [his findings to
12 the Department of Community Affairs] the applicable report to
13 the municipality which shall file the report with the executive
14 director of the Public Employee Retirement Study Commission.

15 [For pension systems having less than fifty members, the report
16 shall be made every four years; for pension systems having fifty
17 or more members, the] The report shall be made [every two years]
18 as of the beginning of the plan year occurring in the first odd-
19 numbered calendar year occurring after the date of enactment of
20 this act and thereafter as of the beginning of each succeeding
21 plan year occurring in an odd-numbered calendar year and shall
22 be filed with the executive director of the commission no later
23 than the last business day of March occurring in the following
24 calendar year.

25 Section 3. The [Department of Community Affairs] Public
26 Employee Retirement Study Commission shall have the power to
27 specify the form and content of reports of actuaries and to
28 supply copies of the forms for reports of actuaries. The
29 municipality or local government unit shall have the power to
30 specify a generally accepted actuarial methodology for the

1 purposes of valuing the plan and preparing the report to be
2 filed pursuant to this act.

3 Section 2. Section 4 of the act, amended January 12, 1974
4 (1973 P.L.444, No.158), is amended to read:

5 Section 4. If an actuary study is not performed and
6 submitted to the [Department of Community Affairs] Public
7 Employee Retirement Study Commission within ninety days after
8 December 31 of the year in which the actuary study is required
9 in sections 2 and 5 of the act, any and all pension
10 reimbursements from any sources which are payable by the
11 Commonwealth shall be withheld until such study is completed.
12 The actuary study shall be performed by the [Department of
13 Community Affairs] Public Employee Retirement Study Commission
14 and the municipality shall reimburse the [Department of
15 Community Affairs] Public Employee Retirement Study Commission
16 the actual cost of performing the study.

17 Section 3. This act shall take effect immediately.