

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2016 Session of  
1991

INTRODUCED BY CAPPABIANCA, BOYES, TIGUE, BELFANTI, KRUSZEWSKI,  
TRELLO, BILLOW AND BELARDI, OCTOBER 16, 1991

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, OCTOBER 16, 1991

AN ACT

1 Amending the act of May 1, 1933 (P.L.103, No.69), entitled "An  
2 act concerning townships of the second class; and amending,  
3 revising, consolidating, and changing the law relating  
4 thereto," further providing for compensation of supervisors  
5 and for meetings, duties, quorum, surcharges and compensation  
6 of township auditors.

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

9 Section 1. Section 515 of the act of May 1, 1933 (P.L.103,  
10 No.69), known as The Second Class Township Code, reenacted and  
11 amended July 10, 1947 (P.L.1481, No.567) and amended March 30,  
12 1988 (P.L.312, No.41), is amended to read:

13 Section 515. Compensation of Supervisors.--[(a) Supervisors  
14 may receive from the general township fund, as compensation, an  
15 amount fixed by ordinance, not in excess of the following:

16 Township Population	Annual Maximum Compensation
17 Not more than 4,999	Fifteen hundred dollars
18 5,000 to 9,999	Two thousand dollars
19 10,000 to 14,999	Twenty-six hundred dollars

1	15,000 to 24,999	Thirty-three hundred dollars
2	25,000 to 34,999	Thirty-five hundred dollars
3	35,000 or more	Four thousand dollars

4 Such salaries shall be payable monthly or quarterly for the  
5 duties imposed by the provisions of this act. The population  
6 shall be determined by the latest available official census  
7 figures. The compensation of supervisors, when acting as  
8 superintendents, roadmasters or laborers, shall be fixed by the  
9 township auditors either per hour, per day, per week, semi-  
10 monthly or monthly, which compensation shall not exceed  
11 compensation paid in the locality for similar services, and such  
12 other reasonable compensation for the use of a passenger car, or  
13 a two-axled four-wheeled motor truck having a chassis weight of  
14 less than two thousand pounds and a maximum gross weight of five  
15 thousand pounds, or a class 2 truck, having a maximum gross  
16 weight of seven thousand pounds when required and actually used  
17 for the transportation of road and bridge laborers and their  
18 hand tools and for the distribution of cinders and patching  
19 material from a stock pile, as the auditors shall determine and  
20 approve; but no supervisor shall receive compensation as a  
21 superintendent or roadmaster for any time he spends attending a  
22 meeting of supervisors.

23 (b) Any benefit provided to or for the benefit of a  
24 supervisor employed by the township as a superintendent,  
25 roadmaster, laborer, secretary, treasurer or secretary/treasurer  
26 in the form of inclusion in a pension plan paid for in whole or  
27 in part by the township shall be deemed to be compensation  
28 within the meaning of this act to the extent such benefit is  
29 paid for by the township and shall be fixed by the township  
30 auditors; however:

(1) Supervisors shall be eligible for inclusion in such township pension plans only if they are employed by the township in the capacity of superintendent, roadmaster, laborer, secretary, treasurer or secretary/treasurer. In order to be eligible for inclusion in such plans, supervisor-employees must meet the same requirements as other employees of the township who are eligible to participate in a pension plan. Such plans shall not improperly discriminate in favor of a supervisor-employee.]

(a) Supervisors may receive as compensation, an amount established by ordinance, not in excess of the following:

<u>Township Population</u>	<u>Annual Maximum Compensation</u>
<u>Not more than 4,999</u>	<u>Fifteen hundred dollars</u>
<u>5,000 to 9,999</u>	<u>Two thousand dollars</u>
<u>10,000 to 14,999</u>	<u>Twenty-six hundred dollars</u>
<u>15,000 to 24,999</u>	<u>Thirty-three hundred dollars</u>
<u>25,000 to 34,999</u>	<u>Thirty-five hundred dollars</u>
<u>35,000 or more</u>	<u>Four thousand dollars</u>

Salaries are payable monthly or quarterly for the duties imposed by this act. The population is determined by the latest available official census figures. The compensation of the supervisors when employed as roadmasters, laborers, secretaries, treasurers, assistant secretaries, assistant treasurers or in any employe capacities not otherwise prohibited by this or any other act shall be determined by the board of auditors either per hour, per day, per week, semi-monthly or monthly and shall be comparable to compensation paid in the locality for similar services. The board of supervisors may establish a mileage allowance pursuant to the act of July 20, 1979 (P.L.156, No.51), entitled "An act establishing a uniform mileage fee for all officials, officers and employees of the Commonwealth, its

political subdivisions, intermediate units, and authorities," to  
be paid to officers and employees for the use of a personal  
vehicle when required and actually used for authorized township  
business. No supervisor may receive compensation as an employee  
for attending a meeting of the board of supervisors. Supervisors  
may continue to be compensated under prior law until such time  
as an ordinance is enacted under this act. Any change in salary,  
compensation or emoluments of the elected office becomes  
effective at the beginning of the next term of the supervisor.

(b) Any benefit provided to or for the benefit of a  
supervisor employed by the township in any employee capacity  
under this act in the form of inclusion in a pension plan paid  
for in whole or in part by the township is compensation within  
the meaning of this act to the extent that the benefit is paid  
for by the township and is determined by the board of auditors;  
however:

(1) Supervisors are eligible for inclusion in township  
pension plans only if they are employed by the township in any  
employee capacity under this act. In order to be eligible for  
inclusion in the plans, supervisor-employees must meet the same  
requirements as other employees of the township who are eligible  
to participate in a pension plan. Pension plans shall not  
improperly discriminate in favor of a supervisor-employee.

(2) Once given, auditor approval for inclusion of  
supervisor-employees shall not be rescinded in any subsequent  
years so long as the pension plan remains in effect and said  
supervisors remain employed by the township and continue to meet  
the same requirements as other employees of the township who are  
eligible to participate in a pension plan; nor shall the  
auditors be empowered to act in any way that would cause the

1 disqualification of all or any portion of the pension plan under  
2 the applicable Federal law.

3 (3) No change in the nature or rate of the contributions in  
4 the case of a defined contribution plan and no change in the  
5 benefit formula in the case of a defined benefit plan shall be  
6 initiated by the board of supervisors with respect to a  
7 supervisor-employee without auditor approval.

8 (4) A pension or annuity contract entered into by a township  
9 between January 1, 1959, and March 31, 1985, that includes or  
10 provides for benefits for supervisor-employees or retired  
11 supervisor-employees at township expense shall not be void or  
12 unlawful solely because such inclusion of supervisor-employees or  
13 retired supervisor-employees was not previously approved by the  
14 township auditors. No penalty, assessment, surcharge, forfeiture  
15 or disciplinary action of any kind may occur as a result of such  
16 participation by supervisor-employees.

17 (5) All premium, contribution or similar payments made by a  
18 township on pension or annuity contracts on behalf of  
19 supervisor-employees between January 1, 1959, and March 31, 1985,  
20 which would have been proper but for the absence of auditor  
21 approval, are hereby deemed ratified and approved. Any benefits  
22 payable to any such supervisor-employee or his beneficiaries on  
23 account of such premium, contribution or similar payments made  
24 by a township during the aforementioned period shall continue.  
25 Any such premium, contribution or similar payments made by a  
26 township subsequent to March 31, 1985, shall require auditor  
27 approval as provided in this subsection.

28 (6) If a supervisor-employee personally contributed toward a  
29 township-sponsored pension plan or annuity that is not approved  
30 by the township auditors or not deemed approved hereunder, he

1 shall receive a refund of his total contributions thereto, plus  
2 any interest accumulated thereon. In lieu of a refund of  
3 contributions plus accumulated interest, a supervisor-employee  
4 who personally contributed toward a pension or annuity plan in  
5 which he participated may elect to purchase that portion of his  
6 pension or annuity funded by the township. The appropriate  
7 compensation to be paid to the township by the supervisor-  
8 employee shall be determined by a qualified actuary who shall  
9 report his determination in accordance with the act of December  
10 18, 1984 (P.L.1005, No.205), known as the "Municipal Pension  
11 Plan Funding Standard and Recovery Act."

12 (7) Township supervisors who are not employees of the  
13 township shall not be eligible for participation in any pension  
14 or annuity contract paid in whole or in part by the township. No  
15 township supervisor who was not an employee of the township but  
16 was included in a township-paid pension or annuity plan entered  
17 into by a township between January 1, 1959, and March 31, 1985,  
18 shall be subject to any penalty, assessment, surcharge,  
19 forfeiture or disciplinary action of any kind as a result of  
20 said participation. Any residual interest, value, refund of  
21 premium or benefits payable on or after March 31, 1985, arising  
22 out of the township-paid interest of a non-employee supervisor  
23 shall become the exclusive property of the township.

24 (c) In addition to the compensation authorized under this  
25 section, supervisors while in office or while in the employ of  
26 the township may be eligible for inclusion in township-paid  
27 insurance plans, as follows:

28 (1) Supervisor-employees and their dependents shall be  
29 eligible for inclusion in group life, health, hospitalization,  
30 medical service and accident insurance plans paid in whole or in

1 part by the township. No policy of group life insurance shall  
2 contain any provision for the accrual or deferral of a cash  
3 surrender value, loan value or any other nonforfeitable benefit,  
4 in addition to or beyond the face amount of insurance, that  
5 shall inure to the benefit of the supervisor, any beneficiary or  
6 any other individual having an insurable interest in the life of  
7 a supervisor. Such insurance, however, may contain a provision  
8 that when the insurance, or any portion of it, on a person  
9 covered under the policy ceases because of termination of  
10 employment or the termination of the insured's term of office,  
11 such person shall be entitled to have issued to him by the  
12 insurer, without evidence of insurability, an individual policy  
13 of insurance on any form customarily issued by the insurer at  
14 the age and for the amount applied for if: (i) such amount is  
15 not in excess of the amount of life insurance which ceases  
16 because of such termination; and (ii) the application for the  
17 individual policy is made and first premium is paid to the  
18 insurer within thirty-one days after such termination.  
19 Participation by supervisor-employees shall not require auditor  
20 approval. Supervisor-employees eligible for inclusion in such  
21 plans must meet the same requirements as other employees of the  
22 township who are eligible to participate in an insurance plan.  
23 Such plans shall not improperly discriminate in favor of a  
24 supervisor-employee.

25 (2) Any life, health, hospitalization, medical service or  
26 accident insurance coverage contract entered into by a township  
27 between January 1, 1959, and March 31, 1985, that includes or  
28 provides coverage for non-employee supervisors shall not be void  
29 or unlawful solely because such inclusion of non-employee  
30 supervisors was subsequently found to be without lawful

1 authority. No penalty, assessment, surcharge, forfeiture or  
2 disciplinary action of any kind may occur as a result of  
3 participation by non-employee supervisors. Insurance benefits  
4 payable to insureds or their beneficiaries arising out of or on  
5 account of deaths, injuries, accidents or illnesses occurring  
6 prior to the effective date of this amendatory act shall remain  
7 the property of the insureds or their beneficiaries.

8 (3) All payments made by a township on any group life,  
9 health, hospitalization, medical service or accident insurance  
10 coverage contracts on behalf of non-employee supervisors between  
11 January 1, 1959, and March 31, 1985, which would have been  
12 proper but for the absence of auditor approval, are hereby  
13 deemed ratified and approved. Any benefits payable to any such  
14 non-employee supervisor or his beneficiaries on account of such  
15 payments made by a township during the aforementioned period  
16 shall continue.

17 (4) Supervisors and their dependents, whether or not they  
18 are employed by the township, shall also be eligible for  
19 inclusion in township group life, health, hospitalization,  
20 medical service and accident insurance plans if they pay their  
21 pro rata share of the premium. Their inclusion in such plans  
22 shall not require auditor approval, but shall require the  
23 submission of a letter requesting such participation at a  
24 regularly scheduled meeting of the board of township supervisors  
25 prior to commencing such participation. Such insurance shall be  
26 uniformly applicable to those covered and shall not give  
27 eligibility preference to, or improperly discriminate in favor  
28 of, supervisors.

29 Section 2. Section 545 of the act, amended October 16, 1981  
30 (P.L.291, No.100) and April 8, 1982 (P.L.256, No.77), is amended



1 to read:

2 Section 545. Meetings; Duties; Quorum; Surcharges;

3 Compensation.--(a) The auditors of townships shall meet

4 annually, at the place of meeting of the supervisors, on the day

5 following the day which is fixed by this act for organization of

6 the township supervisors; and shall organize by the election of

7 a chairman and secretary[, and shall audit, settle, and adjust

8 the accounts of the supervisors, superintendents, roadmasters,

9 treasurer, and tax collector of the township, and fix the

10 compensations for the current year authorized in section 515

11 hereof]. The board of auditors shall audit, settle and adjust

12 the accounts of all elected or appointed officials of the

13 township and its boards or agencies that received or disbursed

14 funds of or owing to the townships during the immediately

15 preceding calendar year. The board of auditors shall determine

16 the compensations for the current year for supervisors employed

17 by the township. Two auditors shall constitute a quorum. The

18 auditors shall also make an audit of the dockets, transcripts,

19 and other official records of the justices of the peace to

20 determine the amounts of fines and costs paid over or due the

21 township, and the dockets and records of the justices of the

22 peace shall be open to inspection by the auditors for such

23 purpose. Unless otherwise agreed to by the board of auditors and

24 the officer being audited, the audit shall be conducted at the

25 place the records of the officer are normally kept.

26 [Upon the death or resignation of any of the above officers

27 the auditor, upon call of the chairman, shall meet and audit the

28 accounts of the former incumbent, and at that time fix the

29 compensation of his successor if authorized by this act to fix

30 the compensation for such office.]

1     (b) Upon the death or resignation of any of the officials  
2     designated in this section to be audited, the board of auditors,  
3     upon call of the chairman, shall meet and audit the accounts of  
4     the former incumbent, and determine the compensation of the  
5     successor if authorized by this act.

6     (c) Any elected or appointed officer, whose act, error or  
7     omission has contributed to the financial loss of any township,  
8     shall be surcharged by the auditors with the amount of such  
9     loss, and the surcharge of any such officer shall take into  
10    consideration as its basis, the results of such act, error or  
11    omission and the results had the procedure been strictly  
12    according to law. The provisions hereof limiting the amount of  
13    any surcharge shall not apply to cases involving fraud or  
14    collusion on the part of such officers, nor to any penalty  
15    ensuing to the benefit of or payable to the Commonwealth.

16    (d) Each auditor shall receive thirty dollars per diem for  
17    each day necessarily employed in the duties of his office, to be  
18    paid out of the funds of the township. In no event shall any  
19    auditor in a township having a population of ten thousand  
20    (10,000) or less be entitled to receive more than six hundred  
21    dollars (\$600) for any calendar year. In no event shall any  
22    auditor in a township having a population in excess of ten  
23    thousand (10,000) be entitled to receive more than twelve  
24    hundred dollars (\$1,200) for any calendar year. A day shall  
25    consist of not less than five hours in the aggregate.

26    Section 3. This act shall take effect in 60 days.