

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2224 Session of
1990

INTRODUCED BY O'DONNELL, VAN HORNE AND MOWERY, JANUARY 24, 1990

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, JANUARY 24, 1990

AN ACT

1 Amending the act of December 18, 1984 (P.L.1005, No.205),
2 entitled "An act mandating actuarial funding standards for
3 all municipal pension systems; establishing a recovery
4 program for municipal pension systems determined to be
5 financially distressed; providing for the distribution of the
6 tax on the premiums of foreign fire insurance companies; and
7 making repeals," further providing for the financial
8 requirements of the pension plan, the minimum obligation of
9 the municipality and the allocation of general municipal
10 pension system State aid.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 Section 1. Sections 302(b)(2) and (c)(1) and 402(e)(5) of
14 the act of December 18, 1984 (P.L.1005, No.205), known as the
15 Municipal Pension Plan Funding Standard and Recovery Act, are
16 amended to read:

17 Section 302. Minimum funding standard; defined benefit plans
18 self-insured in whole or in part.

19 * * *

20 (b) Financial requirements of the pension plan.--

21 * * *

22 (2) The normal cost and administrative expense

requirements for the following plan [years] year shall be expressed as a dollar amount and shall be determined by applying the normal cost of the benefit plan and the administrative expense payable from the assets attributable to the benefit plan, as reported in the actuarial valuation report of the pension plan and expressed as a percentage of [covered] payroll, to the [estimated covered] payroll of the active membership of the pension plan [including any projected increase in active membership for the following year] as of the date the financial requirements of the pension plan are determined.

* * *

(c) Minimum obligation of the municipality.--Annually, the chief administrative officer of the pension plan shall determine the minimum obligation of the municipality with respect to the pension plan for the following plan year. The minimum obligation of the municipality with respect to the pension plan shall be equal to the financial requirements of the pension plan reduced by the following amounts:

(1) The amount of any general municipal pension [plan] system State aid from the Commonwealth anticipated as receivable by the municipality pursuant to section 402 and to be allocated to the pension plan for the following plan year.

* * *

Section 402. Revision of financing from State revenue sources;
General Municipal Pension System State Aid
Program.

* * *

(e) Allocation of general municipal pension system State aid.--

1 * * *

2 (5) For the period commencing with the distribution made
3 during calendar year 1996, each eligible municipality shall
4 be entitled to receive as general municipal pension system
5 State aid the [lesser] greater of the following amounts:

6 (i) the adjusted amount of general municipal pension
7 system State aid per unit multiplied by the number of
8 units certified by that municipality less any amount by
9 which the adjusted amount exceeds the maximum aid amount
10 applicable to the municipality pursuant to subsection
11 (f)(2); or

12 (ii) the revised amount of general municipal pension
13 system State aid per unit multiplied by the number of
14 units certified by that municipality, which revised
15 amount shall be determined pursuant to paragraph (6).

16 * * *

17 Section 2. This act shall take effect on the first day of
18 the month of January following the date of final enactment of
19 this act.