

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2307 Session of 2014

INTRODUCED BY SANTARSIERO, O'BRIEN, MCGEEHAN, CALTAGIRONE, FRANKEL, KINSEY, D. COSTA, MUNDY, ROZZI, SIMS, M. DALEY, BRIGGS, DONATUCCI, McCARTER, DAVIS, BROWNLEE, DeLUCA, COHEN, DEAN, KIM, GILLEN, STURLA, McNEILL AND QUINN, JULY 30, 2014

REFERRED TO COMMITTEE ON FINANCE, JULY 30, 2014

AN ACT

1 Amending the act of February 1, 1974 (P.L.34, No.15), entitled  
 2 "An act creating a Pennsylvania Municipal Retirement System  
 3 for the payment of retirement allowances to officers,  
 4 employees, firemen and police of political subdivisions and  
 5 municipal authorities and of institutions supported and  
 6 maintained by political subdivisions and municipal government  
 7 associations and providing for the administration of the same  
 8 by a board composed of the State Treasurer and others  
 9 appointed by the Governor; imposing certain duties on the  
 10 Pennsylvania Municipal Retirement Board and the actuary  
 11 thereof; providing the procedure whereby political  
 12 subdivisions and municipal authorities may join such system,  
 13 and imposing certain liabilities and obligations on such  
 14 political subdivisions and municipal authorities in  
 15 connection therewith, and as to certain existing retirement  
 16 and pension systems, and upon officers, employes, firemen and  
 17 police of such political subdivisions, institutions supported  
 18 and maintained by political subdivisions, and upon municipal  
 19 authorities; providing for the continuation of certain  
 20 municipal retirement systems now administered by the  
 21 Commonwealth; providing certain exemptions from taxation,  
 22 execution, attachment, levy and sale and providing for the  
 23 repeal of certain related acts," in general provisions,  
 24 further providing for the definitions of "beneficiary" and  
 25 "survivor annuitant"; in provisions relating to municipal  
 26 employes, providing for rights of municipal employes'  
 27 spouses, and further providing for options on superannuation  
 28 or early retirement; in provisions relating to municipal  
 29 firemen and municipal police, further providing for options  
 30 on superannuation or early retirement; and, in optional  
 31 retirement plans, further providing for options on

1 superannuation or early retirement.

2 The General Assembly of the Commonwealth of Pennsylvania  
3 hereby enacts as follows:

4 Section 1. The definitions of "beneficiary" and "survivor  
5 annuitant" in section 102 of the act of February 1, 1974  
6 (P.L.34, No.15), known as the Pennsylvania Municipal Retirement  
7 Law, are amended to read:

8 Section 102. Definitions.--As used in this act:

9 \* \* \*

10 "Beneficiary" means a person designated by a contributor or  
11 an annuitant to receive benefits after the death of such  
12 contributor or annuitant[.], provided the contributor is not  
13 permitted to select a beneficiary other than his spouse, if  
14 married, unless:

15 (1) (i) the spouse of the contributor consents in writing  
16 to such election;

17 (ii) such election designates a beneficiary that cannot be  
18 changed without spousal consent or the consent of such spouse  
19 expressly permits designations by the contributor without a  
20 requirement of further consent by the spouse; and

21 (iii) the spouse's consent acknowledges the effect of such  
22 election and is witnessed by a member of the board or a notary  
23 public; or

24 (2) it is established to the satisfaction of the board that  
25 the consent required under paragraph (1) cannot be obtained  
26 because there is no spouse or because the spouse cannot be  
27 located.

28 Any consent by a spouse, or establishment that the consent of a  
29 spouse cannot be obtained, under this definition shall be  
30 effective only with respect to such spouse.

1 \* \* \*

2 "Survivor annuitant" means any person who has been named by a  
3 member under a joint and survivor annuity option to receive an  
4 annuity upon the death of such member[.], provided that a member  
5 is not permitted to select a survivor annuitant other than his  
6 spouse, if married, unless:

7 (1) (i) the spouse of the member consents in writing to  
8 such election;

9 (ii) such election designates a survivor annuitant that  
10 cannot be changed without spousal consent or the consent of such  
11 spouse expressly permits designations by the member without a  
12 requirement of further consent by the spouse; and

13 (iii) the spouse's consent acknowledges the effect of such  
14 election and is witnessed by a member of the board or a notary  
15 public; or

16 (2) it is established to the satisfaction of the board that  
17 the consent required under paragraph (1) cannot be obtained  
18 because there is no spouse or because the spouse cannot be  
19 located.

20 Any consent by a spouse or establishment that the consent of a  
21 spouse cannot be obtained under this definition shall be  
22 effective only with respect to such spouse.

23 \* \* \*

24 Section 2. The act is amended by adding a section to read:

25 Section 209.1. Rights of Municipal Employees' Spouses.--(a)  
26 A retirement system or retirement plan of a municipality shall  
27 be required to provide that a designation by an employe, service  
28 provider or retiree of a beneficiary or survivor to receive  
29 payments under the retirement system or retirement plan shall  
30 not be valid without the express written consent of the spouse

1 of such member if such person:

2 (1) is married at the time of his selection of a beneficiary  
3 or survivor annuitant;

4 (2) is married at the time of his selection of a form of  
5 benefit payment or distribution unless such spouse has  
6 previously consented to an alternative designation; or

7 (3) becomes married following a selection of a beneficiary  
8 or survivor annuitant but prior to becoming entitled to or  
9 selecting a form of benefit payment or distribution.

10 Any consent of a spouse obtained under this subsection shall be  
11 effective only with respect to such spouse.

12 (b) A retirement system or retirement plan of a municipality  
13 shall be required to provide that retirement benefits, other  
14 than benefits payable under a defined contribution or account  
15 balance plan, shall be payable in the form of a joint and  
16 survivor annuity, with at least a fifty per cent survivor  
17 annuity to such member's surviving spouse, unless:

18 (1) (i) the spouse of the member consents in writing to  
19 another form of benefit;

20 (ii) such election designates a beneficiary or form of  
21 benefits that may not be changed without spousal consent or the  
22 consent of such spouse expressly permits designations by the  
23 member without a requirement of further consent by the spouse;  
24 and

25 (iii) the spouse's consent acknowledges the effect of such  
26 election and is witnessed by a member of the board or a notary  
27 public; or

28 (2) it is established to the satisfaction of the plan or  
29 system administrator that the consent required under paragraph  
30 (1) may not be obtained because there is no spouse or because

1 the spouse cannot be located.

2 Any consent by a spouse or establishment that the consent of a  
3 spouse may not be obtained shall be effective only with respect  
4 to such spouse.

5 Section 3. Sections 211, 312 and 409 of the act are amended  
6 by adding subsections to read:

7 Section 211. Options on Superannuation or Early  
8 Retirement.--\* \* \*

9 (c) Notwithstanding anything to the contrary in this act, a  
10 member, including a contributor, who is married at the time of  
11 his selection of a beneficiary or survivor annuitant, who is  
12 married at the time of his selection of a form of benefit  
13 payment or who becomes married following such selection of a  
14 beneficiary or survivor annuitant but prior to becoming entitled  
15 to or selecting a form of payment or distribution shall not be  
16 permitted to select a beneficiary or survivor annuitant other  
17 than his spouse, if married at the time, unless:

18 (1) (i) the spouse of the eligible member consents in  
19 writing to such election;

20 (ii) such election designates a beneficiary, or form of  
21 benefit, that may not be changed without spousal consent or the  
22 consent of such spouse expressly permits designations by the  
23 member without a requirement of further consent by the spouse;  
24 and

25 (iii) the spouse's consent acknowledges the effect of such  
26 election and is witnessed by a member of the board or a notary  
27 public; or

28 (2) it is established to the satisfaction of the board that  
29 the consent required under paragraph (1) may not be obtained  
30 because there is no spouse or because the spouse cannot be

1 located.

2 Any consent by a spouse or establishment that the consent of a  
3 spouse may not be obtained shall be effective only with respect  
4 to such spouse.

5 Section 312. Options on Superannuation or Early  
6 Retirement.--\* \* \*

7 (c) Notwithstanding anything to the contrary in this act, a  
8 member, including a contributor, who is married at the time of  
9 his selection of a beneficiary or survivor annuitant, who is  
10 married at the time of his selection of a form of benefit  
11 payment or who becomes married following such selection of a  
12 beneficiary or survivor annuitant but prior to becoming entitled  
13 to or selecting a form of payment or distribution shall not be  
14 permitted to select a beneficiary or survivor annuitant other  
15 than his spouse, if married at the time, unless:

16 (1) (i) the spouse of the eligible member consents in  
17 writing to such election;

18 (ii) such election designates a beneficiary, or form of  
19 benefit that may not be changed without spousal consent or the  
20 consent of such spouse expressly permits designations by the  
21 member without a requirement of further consent by the spouse;  
22 and

23 (iii) the spouse's consent acknowledges the effect of such  
24 election and is witnessed by a member of the board or a notary  
25 public; or

26 (2) it is established to the satisfaction of the board that  
27 the consent required under paragraph (1) may not be obtained  
28 because there is no spouse or because the spouse cannot be  
29 located.

30 Any consent by a spouse or establishment that the consent of a

1 spouse may not be obtained shall be effective only with respect  
2 to such spouse.

3 Section 409. Options on Superannuation or Early  
4 Retirement.--\* \* \*

5 (c) Notwithstanding anything to the contrary in this act, a  
6 member, including a contributor, who is married at the time of  
7 his selection of a beneficiary or survivor annuitant, who is  
8 married at the time of his selection of a form of benefit  
9 payment or who becomes married following such selection of a  
10 beneficiary or survivor annuitant but prior to becoming entitled  
11 to or selecting a form of payment or distribution shall not be  
12 permitted to select a beneficiary or survivor annuitant other  
13 than his spouse, if married at the time, unless:

14 (1) (i) the spouse of the eligible member consents in  
15 writing to such election;

16 (ii) such election designates a beneficiary or form of  
17 benefit that may not be changed without spousal consent or the  
18 consent of such spouse expressly permits designations by the  
19 member without a requirement of further consent by the spouse;  
20 and

21 (iii) the spouse's consent acknowledges the effect of such  
22 election and is witnessed by a member of the board or a notary  
23 public; or

24 (2) it is established to the satisfaction of the board that  
25 the consent required under paragraph (1) may not be obtained  
26 because there is no spouse or because the spouse cannot be  
27 located.

28 Any consent by a spouse or establishment that the consent of a  
29 spouse may not be obtained shall be effective only with respect  
30 to such spouse.

1 Section 4. This act shall take effect in 60 days.