

BOROUGH CODE - RETIREMENT BENEFITS OF EMPLOYEES TRANSFERRED TO  
WASTEWATER AUTHORITIES

Act of Jul. 15, 2004, P.L. 710, No. 79

Cl. 08

Session of 2004

No. 2004-79

HB 2351

AN ACT

Amending the act of February 1, 1966 (1965 P.L.1656, No.581),  
entitled "An act concerning boroughs, and revising, amending  
and consolidating the law relating to boroughs," providing for  
retirement benefits of employees transferred to wastewater  
authorities.

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

Section 1. The act of February 1, 1966 (1965 P.L.1656, No.581),  
known as The Borough Code, is amended by adding a section to read:

**Section 1105.1. Retirement Benefits of Employees Transferred to  
Wastewater Authorities--**(a) (1) An employe of a wastewater  
authority created by a borough and one or more townships pursuant  
to 53 Pa.C.S. Ch. 56 (relating to municipal authorities) that  
commenced operations after December 1, 2001, who satisfies the  
requirements of paragraph (2) and has past service credits under  
the borough retirement plan may file a written election with the  
borough council and the wastewater authority to be a member of the  
borough retirement system. The qualified employe shall file the  
written election within one year after the effective date of this  
section.

(2) In order to qualify for the option under paragraph (1),  
the employe must satisfy both of the following requirements:

(i) Immediately prior to the date of transfer of employment to  
the wastewater authority, be an employe of the borough that,  
together with one or more townships, established the wastewater  
authority.

(ii) Be an active member of the borough's retirement system on  
the date that the employe's employment was transferred to the  
wastewater authority.

(3) For an employe who files an election under paragraph (1),  
the affected wastewater authority shall:

(i) Deduct from the employe's salary an amount equal to the  
employe contribution that would have been deducted had the employe  
continued to be a borough employe and shall pay the deducted amount  
to the borough's retirement fund.

(ii) Pay to the borough's retirement fund an employer  
contribution equal to the employer normal cost plus anticipated  
administrative expenses and amortization payments less general  
municipal pension system State aid expressed as a percentage of  
the system's total payroll as calculated by the borough pursuant  
to the act of December 18, 1984 (P.L.1005, No.205), known as the  
"Municipal Pension Plan Funding Standard and Recovery Act," and  
applied to the payroll of the employe.

(b) All employes who elect to be members of the borough  
retirement system under this section shall be treated as borough  
employes in determining the borough's annual allocation of general  
municipal pension system State aid pursuant to section 402(e) of  
the "Municipal Pension Plan Funding Standard and Recovery Act,"

**and the annual allocation of general municipal pension system State aid pursuant to section 402(e) of the "Municipal Pension Plan Funding Standard and Recovery Act" shall be payable to the borough.**

Section 2. This act shall take effect in 60 days.

APPROVED--The 15th day of July, A. D. 2004.

EDWARD G. RENDELL