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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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# HOUSE BILL

## No. 1451

Session of  
1983

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INTRODUCED BY ITKIN, POTT, COWELL, PISTELLA, CESSAR, MICHLOVIC,  
SEVENTY, OLASZ, PRESTON, DUFFY, DeLUCA, MRKONIC, DAWIDA,  
MURPHY, GAMBLE, PETRONE, MARKOSEK, MAYERNIK, VAN HORNE,  
TRELLO, IRVIS, CLARK, MARMION, BOOK AND MISCEVICH,  
SEPTEMBER 19, 1983

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AS AMENDED ON SECOND CONSIDERATION, IN SENATE, JUNE 11, 1984

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AN ACT

1 Amending the act of July 28, 1953 (P.L.723, No.230), entitled,  
2 as amended, "An act relating to counties of the second class  
3 and second class A; amending, revising, consolidating and  
4 changing the laws relating thereto," providing that a county  
5 of the second class may make pickup contributions to the  
6 retirement system on behalf of county employees; AND FURTHER  
7 PROVIDING FOR TAX LEVIES. <—

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

10 Section 1. Section 1701 of the act of July 28, 1953  
11 (P.L.723, No.230), known as the Second Class County Code,  
12 amended December 10, 1970 (P.L.919, No.291), June 1, 1973  
13 (P.L.37, No.19), June 29, 1976 (P.L.461, No.116) and March 27,  
14 1980 (P.L.56, No.21), is amended to read:

15 Section 1701. Definitions.--The following words and phrases  
16 as used in this article shall be construed to have the following  
17 meaning:

18 "Board," county employees' retirement board.

1 "Compensation," pickup contributions plus salary or wages  
2 received per day, weekly, bi-weekly, semi-monthly, monthly,  
3 annually, or during an official term year.

4 "Contributions," pickup contributions and the amount paid  
5 into the retirement fund.

6 "County employe," any person employed by the county,  
7 including all elected or appointed county officers, and  
8 agricultural extension association, county institutions  
9 district, county prison, any county correctional institution,  
10 law library and county retirement board, employes whose  
11 compensation is paid out of county funds, except employes  
12 employed by any board of trustees of a community college of  
13 which the county is a local sponsor pursuant to the act of  
14 August 24, 1963 (P.L.1132, No.484), known as the "Community  
15 College Act of 1963," as amended, county institution district  
16 funds or county retirement system funds or any department  
17 created by the office of the county commissioners, and any  
18 person receiving compensation for accidental injuries in  
19 accordance with the provisions of The Pennsylvania Workmen's  
20 Compensation Act: Provided, That the injured county employe  
21 during the period of his or her disability shall pay each month  
22 a sum equal to the last monthly contribution paid into the  
23 retirement fund when said county employe was in employment and  
24 shall not include any participant in on-the-job training, work  
25 experience or public service employment whose employment with  
26 the county is funded in whole or in part by the Federal  
27 "Comprehensive Employment and Training Act," as amended, unless  
28 the retirement board has provided for the membership of such  
29 participants in accordance with the provisions of section  
30 1710.1. It shall not include any time spent by a county employe

1 on furlough or leave of absence without compensation, a person  
2 reemployed as a county employe subsequent to the thirty-first  
3 day of May, one thousand nine hundred fifty-three, in accordance  
4 with the provisions of subsection (c) of section 1712, except  
5 such county employes who may be in active military service in  
6 accordance with the provisions of subsection (d) of section 1710  
7 and former county employes whose monthly contributions are paid  
8 into the retirement fund in accordance with the provisions of  
9 section 1713. In all cases of doubt the board shall determine  
10 who is an employe within the meaning of this article.

11 "Monthly," calendar month.

12 "Per Annum," twelve calendar months.

13 "Pickup contributions," regular contributions which are made  
14 by the county on behalf of county employes for current service  
15 in accordance with subsection (a.1) of section 1708.

16 "Reemployed," any former county employe who is reemployed as  
17 such, shall thereupon assume the status of a new or future  
18 county employe and may, if eligible, receive credit for previous  
19 service in accordance with the provisions of subsection (b) of  
20 section 1715. It shall not include any person reemployed  
21 subsequent to the thirty-first day of May, one thousand nine  
22 hundred fifty-three, in accordance with the provisions of  
23 subsection (c) of section 1712, nor any county employe who may  
24 be in active military service in accordance with the provisions  
25 of subsection (d) of section 1710.

26 "Retirement Allowance," the amount to which a county employe  
27 is eligible to receive upon retirement from active service not  
28 including the amount he or she is eligible to receive as a  
29 service increment.

30 "Retirement fund or system," fund or system created by this

1 article.

2 "Vested Interest," future county employees including persons  
3 who are reemployed as such, except as hereinafter provided,  
4 whose contributions as paid into the retirement fund have been  
5 retained therein, or have been refunded by the board, who have  
6 fulfilled all conditions required to qualify such county  
7 employees for a retirement allowance plus a service increment, if  
8 any. It shall not include persons who are reemployed as county  
9 employees in accordance with the provisions of subsection (c) of  
10 section 1712.

11 "Year or service year," twelve calendar months including an  
12 official term year beginning the first Monday of January of a  
13 given year to the first Monday of January of the year following  
14 or twenty-six pay periods if payment is made bi-weekly.

15 "Survivor's Benefit Allowance," a portion of a retirement  
16 allowance, plus a service increment, if any, to be paid to a  
17 surviving spouse of a deceased county employee.

18 "Early Retirement," reduced retirement benefits at age fifty-  
19 five with completion of eight years of service depending upon  
20 the service requirements for normal retirement.

21 "Interest," a determined rate, payable upon refund of  
22 contributions, compounded annually.

23 "Service Increment," the amount a county employee is eligible  
24 to receive in addition to his or her retirement allowance by  
25 reason of his or her extra years of service.

26 Section 2. The heading of section 1708 is amended and a  
27 subsection is added to read:

28 Section 1708. Compulsory Membership; [Employees Payment]  
29 Payments Into Fund; Exceptions; Vested Interest.--\* \* \*

30 (a.1) The county may elect to contribute on behalf of each

1 active member for current service the amount required by  
2 subsection (a) beginning the first Monday of January of the year  
3 in which the resolution to do so was adopted by the  
4 commissioners. Contributions made in accordance with this  
5 subsection shall be deemed pickup contributions and shall be  
6 treated as the county's contribution in determining tax  
7 treatment under the act of August 16, 1954, 68A Stat. 5, known  
8 as the Internal Revenue Code of 1954, for Federal tax purposes.  
9 For all other purposes pickup contributions shall be made and  
10 treated as contributions made by a member in the same manner and  
11 to the same extent as contributions made prior to the  
12 implementation of this subsection. The county on or before  
13 January 31 of each year shall, at the time when the income and  
14 withholding information required by law is furnished to each  
15 county employe, also furnish the amount of the pickup  
16 contribution made on the employe's behalf. Upon the effective  
17 date of the implementation of this subsection, the county shall  
18 pick up the required contributions by an equal reduction in the  
19 compensation of the member.

20 \* \* \*

21 SECTION 3. SECTION 1970 OF THE ACT, AMENDED MAY 22, 1981  
22 (P.L.76, NO.24), IS AMENDED TO READ:

23 SECTION 1970. TAX LEVIES.--NO TAX SHALL BE LEVIED ON  
24 PERSONAL PROPERTY TAXABLE FOR COUNTY PURPOSES WHERE THE RATE OF  
25 TAXATION THEREON IS FIXED BY LAW OTHER THAN AT THE RATE SO  
26 FIXED. THE COUNTY COMMISSIONERS SHALL FIX, BY RESOLUTION, THE  
27 RATE OF TAXATION FOR EACH YEAR. THE TAX LEVIED SHALL BE FOR THE  
28 PURPOSE OF CREATING A GENERAL FUND TO PAY EXPENSES INCURRED FOR  
29 GENERAL COUNTY PURPOSES, FOR THE PAYMENT OF THE MATTERS  
30 CONNECTED WITH ROADS PROVIDED FOR IN SUBSECTION (G) OF SECTION

1 2901 HEREOF, FOR THE PAYMENT OF THE MATTERS CONNECTED WITH PARKS  
2 AND RELATED MATTERS PROVIDED FOR IN SECTIONS 3007 AND 3035  
3 HEREOF[, AND FOR THE PAYMENT OF EXPENSES CONNECTED WITH THE  
4 OPERATION OF A COMMUNITY COLLEGE AS PROVIDED BY LAW]. NO SUCH  
5 TAX IN ANY COUNTY OF THE SECOND CLASS, SHALL IN ANY ONE YEAR  
6 EXCEED THE RATE OF TWENTY MILLS ON EVERY DOLLAR OF THE ADJUSTED  
7 VALUATION: PROVIDED, HOWEVER, THAT THE RATE OF TAXATION FOR  
8 PAYMENT OF INTEREST AND PRINCIPAL ON ANY INDEBTEDNESS INCURRED  
9 PURSUANT TO THE ACT OF JULY 12, 1972 (P.L.781, NO.185), KNOWN AS  
10 THE "LOCAL GOVERNMENT UNIT DEBT ACT," OR ANY PRIOR OR SUBSEQUENT  
11 ACT GOVERNING THE INCURRENCE OF INDEBTEDNESS OF THE COUNTY SHALL  
12 BE UNLIMITED. NO TAX FOR GENERAL COUNTY PURPOSES IN ANY COUNTY  
13 OF THE SECOND CLASS A SHALL IN ANY ONE YEAR EXCEED THE RATE OF  
14 THIRTY MILLS ON EVERY DOLLAR OF THE ADJUSTED VALUATION:  
15 PROVIDED, HOWEVER, THAT THE RATE OF TAXATION FOR PAYMENT OF  
16 INTEREST AND PRINCIPAL ON ANY INDEBTEDNESS INCURRED PURSUANT TO  
17 THE ACT OF JULY 12, 1972 (P.L.781, NO.185), KNOWN AS THE "LOCAL  
18 GOVERNMENT UNIT DEBT ACT," OR ANY PRIOR OR SUBSEQUENT ACT  
19 GOVERNING THE INCURRENCE OF INDEBTEDNESS OF THE COUNTY SHALL BE  
20 UNLIMITED. IN FIXING THE RATE OF TAXATION, THE COUNTY  
21 COMMISSIONERS IF THE RATE IS FIXED IN MILLS, SHALL ALSO INCLUDE  
22 IN THE RESOLUTION A STATEMENT EXPRESSING THE RATE OF TAXATION IN  
23 DOLLARS AND CENTS ON EACH ONE HUNDRED DOLLARS OF ASSESSED  
24 VALUATION OF TAXABLE PROPERTY.

25 Section 3 4. This act shall take effect January 1, 1984.

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