

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2399 Session of
1996

INTRODUCED BY NICKOL, FEBRUARY 13, 1996

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, FEBRUARY 13, 1996

AN ACT

1 Amending the act of December 6, 1972 (P.L.1383, No.293),
2 entitled "An act requiring municipal pension systems to have
3 an actuarial investigation of the fund made by an actuary who
4 shall report his findings to the Department of Community
5 Affairs," further providing for actuarial investigation; and
6 providing for the filing of reports with the Public Employee
7 Retirement Commission.

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

10 Section 1. The title and sections 1, 2 and 3 of the act of
11 December 6, 1972 (P.L.1383, No.293), entitled "An act requiring
12 municipal pension systems to have an actuarial investigation of
13 the fund made by an actuary who shall report his findings to the
14 Department of Community Affairs," are amended to read:

15 AN ACT

16 Requiring municipal pension systems to have an actuarial
17 investigation of the fund made by an actuary who shall report
18 his findings to the [Department of Community Affairs] Public
19 Employee Retirement Commission.

20 Section 1. [All pension] Pension systems for municipal

1 employees, police and firemen, that are not subject to the
2 reporting requirements of the act of December 18, 1984
3 (P.L.1005, No.205), known as the "Municipal Pension Plan Funding
4 Standard and Recovery Act," shall employ or retain an actuary
5 who shall be paid by the municipality to make an actuarial
6 investigation of the sufficiency of pension funds to pay
7 retirement benefits.

8 Section 2. Upon the completion of the actuarial
9 investigation, the actuary shall send a copy of his findings to
10 the [Department of Community Affairs] commission. For pension
11 systems having less than fifty members, the report shall be made
12 every four years; for pension systems having fifty or more
13 members, the report shall be made every two years.

14 Section 3. The [Department of Community Affairs] commission
15 shall have the power to specify the form and content of reports
16 of actuaries and to supply copies of the forms for reports of
17 actuaries.

18 Section 2. Section 4 of the act, amended January 12, 1974
19 (1973 P.L.444, No.158), is amended to read:

20 Section 4. If an actuary study is not performed and
21 submitted to the [Department of Community Affairs] commission
22 within ninety days after December 31 of the year in which the
23 actuary study is required in sections 2 and 5 of the act, any
24 and all pension reimbursements from any sources which are
25 payable by the Commonwealth shall be withheld until such study
26 is completed. The actuary study shall be performed by the
27 [Department of Community Affairs] commission and the
28 municipality shall reimburse the [Department of Community
29 Affairs] commission the actual cost of performing the study.

30 Section 3. The act is amended by adding a section to read:

1 Section 6. The following words and phrases when used in this
2 act shall have the meanings given to them in this section unless
3 the context clearly indicates otherwise:

4 "Actuarial investigation or study." An actuarial valuation
5 report which complies with, or is substantially equal to, the
6 municipal pension plan actuarial reporting requirements
7 specified in the act of December 18, 1984 (P.L.1005, No.205),
8 known as the "Municipal Pension Plan Funding Standard and
9 Recovery Act."

10 "Actuary." A person who has at least five years of actuarial
11 experience with public pension plans and who is either enrolled
12 as a member of the American Academy of Actuaries or enrolled as
13 an actuary pursuant to the Employee Retirement Income Security
14 Act of 1974 (Public Law 93-406, 88 Stat. 829).

15 "Commission." The Public Employee Retirement Commission.

16 Section 4. Municipalities shall file under the new standards
17 any and all reports issued after December 31, 1998. Interim
18 reports shall be filed under the existing standards.

19 Section 5. All acts and parts of acts are repealed insofar
20 as they are inconsistent with this act provided that nothing in
21 this act shall be construed to repeal, alter or amend the
22 provisions of the act of December 18, 1984 (P.L.1005, No.205),
23 known as the Municipal Pension Plan Funding Standard and
24 Recovery Act.

25 Section 6. This act shall take effect immediately.