

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1984 Session of  
2003

INTRODUCED BY FRANKEL, SEPTEMBER 16, 2003

REFERRED TO COMMITTEE ON FINANCE, SEPTEMBER 16, 2003

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," providing for further modification of  
8 actuarial funding standard.

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

11 Section 1. The act of December 18, 1984 (P.L.1005, No.205),  
12 known as the Municipal Pension Plan Funding Standard and  
13 Recovery Act, is amended by adding a section to read:

14 Section 902. Further modification of actuarial funding  
15 standard.

16 (a) General rule.--Notwithstanding the modified actuarial  
17 funding requirements for a municipality that are specified in  
18 section 901:

19 (1) A municipality shall reduce its aggregate minimum  
20 municipal obligation to its pension funds by \$10,970,000 in

1     calendar years 2003, 2004 and 2005. The aggregate reduction  
2     in each year shall be proportionately applied to the minimum  
3     municipal obligation calculated for each pension fund based  
4     on the ratio of the individual minimum municipal obligation  
5     to the total minimum municipal obligation.

6         (2) A municipality shall increase its aggregate minimum  
7     municipal obligation to its pension funds by \$4,461,251 for  
8     15 years commencing in calendar year 2006 and ending in  
9     calendar year 2020. The aggregate increase in each year shall  
10    be proportionately applied to the minimum municipal  
11    obligation calculated for each pension fund based on the  
12    ratio of the individual minimum municipal obligation to the  
13    total minimum municipal obligation.

14    (b) Penalty for delinquency.--If a municipality is  
15    delinquent in satisfying the total financial requirements of its  
16    pension funds as determined under section 302 and modified by  
17    this chapter, the municipality shall be subject to the penalty  
18    and enforcement provisions specified in sections 302(e), 306 and  
19    307.

20    (c) Definitions.--The words and phrases as used in this  
21    section, shall have the same meanings given to them in section  
22    901(f).

23     Section 2. This act shall take effect immediately.