

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2773 Session of  
2004

INTRODUCED BY HERMAN, GINGRICH, HENNESSEY, BELFANTI, CAPPELLI,  
DeWEESE, GEIST, GERGELY, JAMES, THOMAS, YOUNGBLOOD AND  
YUDICHAK, JUNE 29, 2004

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, JUNE 29, 2004

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 employes, 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," further providing for  
24 administrative expenses.

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

27 Section 1. Section 112 of the act of February 1, 1974  
28 (P.L.34, No.15), known as the Pennsylvania Municipal Retirement

1 Law, amended May 10, 2000 (P.L.42, No.15), is amended to read:

2 Section 112. Annual Estimates to Municipalities;

3 Administrative Expenses.--The board shall prepare and submit to  
4 each municipality, on or before the first day of the third month  
5 preceding the commencing of each municipality's fiscal year, an  
6 itemized estimate of the amounts necessary to be appropriated by  
7 the municipality to complete the payments of the obligations of  
8 the municipality to the fund during its next fiscal year.

9 The board shall annually prepare and approve a budget  
10 covering the administrative expenses of this act. Such expenses  
11 as approved by the board shall be paid from receipts from  
12 assessments made against each municipality for administrative  
13 expenses. This assessment shall be based on the number of  
14 members in each municipality and shall not exceed the sum of  
15 twenty dollars (\$20) per member per year. If, in the calendar  
16 years [1995, 1996, 1997, 1998, 1999 and 2000] 2001, 2002, 2003,  
17 2004 and 2005, the amount received from such assessments, when  
18 imposed at the maximum rate, is not sufficient to cover the  
19 administrative expenses, then the balance of such expenses shall  
20 be paid from interest earnings on the fund in excess of the  
21 regular interest credited to the municipal, members' and retired  
22 members' reserve accounts and shall not, in any year, exceed  
23 six-tenths of one per cent of the total asset value of the fund  
24 as of the beginning of the calendar year. The administration of  
25 the Pennsylvania Municipal Retirement System shall be audited  
26 annually and a report of this audit shall be made annually to  
27 the General Assembly.

28 The secretary of the board shall submit a proposed budget for  
29 the following fiscal year to the Senate and House Local  
30 Government Committees no later than November 1 of the year

1 preceding that for which the budget is being prepared. The  
2 respective committees shall meet and review such budget  
3 document. If the committees take no action within sixty days of  
4 said November 1, the budget for the following calendar year  
5 shall be deemed approved.

6 Section 2. This act shall be retroactive to January 1, 2001.

7 Section 3. This act shall take effect in 60 days.