

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 873 Session of
2003

INTRODUCED BY COSTA, JULY 15, 2003

REFERRED TO FINANCE, JULY 15, 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.