

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1039 Session of
2007

INTRODUCED BY REGOLA, EARLL AND WAUGH, JULY 24, 2007

REFERRED TO FINANCE, JULY 24, 2007

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 July 5, 2005 (P.L.50, No.16), 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 through [2005] 2010, the amount received from such
17 assessments, when imposed at the maximum rate, is not sufficient
18 to cover the administrative expenses, then the balance of such
19 expenses shall be paid from interest earnings on the fund in
20 excess of the regular interest credited to the municipal,
21 members' and retired members' reserve accounts and shall not, in
22 any year, exceed [six-tenths] four-tenths of one per cent of the
23 total asset value of the fund as of the beginning of the
24 calendar year. The administration of the Pennsylvania Municipal
25 Retirement System shall be audited annually and a report of this
26 audit shall be made annually to the General Assembly.

27 The secretary of the board shall submit a proposed budget for
28 the following fiscal year to the Senate and House Local
29 Government Committees no later than November 1 of the year
30 preceding that for which the budget is being prepared. The

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

5 Section 2. This act shall be retroactive to January 1, 2006.

6 Section 3. This act shall take effect immediately.