

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1502 Session of
2008

INTRODUCED BY COSTA, ORIE, LOGAN AND FONTANA, JUNE 19, 2008

REFERRED TO FINANCE, JUNE 19, 2008

AN ACT

1 Amending the act of July 28, 1953 (P.L.723, No.230), entitled,
2 as amended, "An act relating to counties of the second class
3 and second class A; amending, revising, consolidating and
4 changing the laws relating thereto," further defining
5 "compensation"; and further providing for retirement board
6 and for amount of retirement allowances.

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

9 Section 1. The definition of "compensation" in section 1701
10 of the act of July 28, 1953 (P.L.723, No.230), known as the
11 Second Class County Code, amended July 6, 1984 (P.L.638,
12 No.131), is amended to read:

13 Section 1701. Definitions.--The following words and phrases
14 as used in this article shall be construed to have the following
15 meaning:

16 * * *

17 "Compensation," [pickup] (1) Pickup contributions plus
18 salary or wages received per day, weekly, bi-weekly, semi-
19 monthly, monthly, annually, or during an official term year.

20 (2) For employes hired or reemployed on or after the

1 effective date of this clause, the term shall not include
2 overtime pay.

3 * * *

4 Section 2. Section 1703 of the act is amended to read:

5 Section 1703. Retirement Board.--The retirement system shall
6 be under the sole direction of a board, which shall consist of
7 the county [commissioners, the treasurer, the controller,] chief
8 executive; one member, who shall be a member of the retirement
9 system, appointed by the chief executive with the consent of
10 county council; one member, who shall be a member of the
11 retirement system, appointed by county council; the controller;
12 the treasurer; and two persons elected by ballot from among the
13 members of the retirement system[, one to serve for two years
14 and one for four years. Following the completion of the initial
15 terms, the stated]. The terms of such members shall be four
16 years. Ballots shall be mailed to each member of the retirement
17 system at least twenty (20) days prior to the date of the
18 election. A vacancy occurring during the term of any member of
19 the board shall be filled for the unexpired term by the
20 appointment or election of a successor in the same manner as his
21 predecessor. A majority of the members of the board shall
22 constitute a quorum for the transaction of any business.

23 Section 3. Section 1712(a) of the act, amended October 30,
24 2000 (P.L.616, No.85), is amended to read:

25 Section 1712. Amount of Retirement Allowances.--(a) (1)
26 The retirement allowance paid under the provisions of this
27 article shall equal fifty per centum of the amount which would
28 constitute the average monthly compensation as received by the
29 county employe during the highest twenty-four months of the last
30 four (4) years of his employment or two years on a bi-weekly pay

basis in which period of time the said county employe made monthly or bi-weekly contributions into the retirement fund prior to his or her retirement.

(2) For employes hired after the effective date of this clause, the retirement allowance paid under the provisions of this article shall be equal to fifty per centum of the amount which would constitute the average monthly compensation as received by the county employe during the highest forty-eight months of the last eight (8) years of his employment or four (4) years on a bi-weekly pay basis in which period of time the county employe made monthly or bi-weekly contributions into the retirement fund prior to his or her retirement.

(3) Such average monthly compensation shall include the compensation which any county employe would have been entitled to and would have received except for deduction from compensation due to time spent in serving as an elected State official: Provided, That the county and the employe shall make monthly contributions based on the last compensation equal to the amount the county and he or she would have paid into the retirement fund had such compensation been paid by the county. In the event an employe, on the effective date of employment termination, shall have less than a full year of service for the purpose of computing the employe's service time, then the amount of the retirement allowance, which would have been computed had the employe completed a full twelve-month period for the year of the termination of employment, shall be prorated upon a full completed month basis for said last year of service. No retirement allowance shall be computed on a monthly compensation in excess of four thousand three hundred thirty-three dollars and thirty-three cents (\$4,333.33) (referred to in this

1 subsection as "excess compensation") unless the employee and the
2 county have made contributions on all excess compensation
3 received by the employee during the five-year period preceding
4 the employee's retirement: Provided, That the required
5 contribution is paid into the retirement system within ninety
6 (90) days of the date of retirement. An employee who retires
7 within five (5) years of the effective date of the compensation
8 cap removal may elect to satisfy the contribution requirement by
9 making a lump sum contribution that is calculated by applying
10 the applicable contribution percentage rate to all excess
11 compensation received by the employee during the prior five-year
12 period on which contributions were not made. Within ninety (90)
13 days of such contribution by an employee, contributions shall
14 also be made by the county in an amount equal to the amount
15 contributed by the employee. The effective date of the cap
16 removal is December 31, 1999.

17 (4) After the effective date of this amendment, certain
18 former county employees who are now receiving a retirement
19 allowance shall receive an increase of a certain per centum of
20 such retirement allowance, which sum shall be computed on the
21 average monthly retirement allowance as heretofore authorized by
22 the board.

23 (5) The per centum of increase in said monthly retirement
24 allowance shall be a flat 10 per centum increase with the
25 maximum amount not to exceed forty-five dollars (\$45.00) per
26 month.

27 (6) Any employee who earns in excess of ten thousand eight
28 hundred dollars (\$10,800) per annum and shall retire during the
29 period from January 1, 1973 to December 31, 1981 shall pay, as a
30 condition to the payment of any benefits hereunder a lump sum

1 contribution into the retirement fund, which contribution shall
2 be computed as follows:

3 (i) The difference between ten thousand eight hundred
4 dollars (\$10,800) and the annual salary of the employe
5 multiplied by the number of years during which he was not an
6 employe of the county for the period aforesaid and upon that
7 amount the sum of two per centum which shall be the lump sum
8 contribution as required herein.

9 (ii) No person who is reemployed as a county employe shall
10 be eligible to receive the benefit of a retirement allowance
11 plus a service increment, if any, until he or she shall have
12 made at least twenty-four monthly or fifty-two bi-weekly
13 contributions into the retirement fund subsequent to his or her
14 reemployment. The foregoing provisions shall not have a
15 retroactive application and shall apply only to present and
16 future county employes. The rate required to be paid in
17 accordance with this provision shall apply to present county
18 employes notwithstanding the rate of contribution that the
19 present county employe has made into the retirement fund.

20 * * *

21 Section 4. This act shall take effect in 60 days.