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 THE GENERAL ASSEMBLY OF PENNSYLVANIA
 

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 HOUSE BILL

 No. 2493 Session of  
2010
 

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 INTRODUCED BY EACHUS AND D. EVANS, MAY 5, 2010
 

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 SENATOR BROWNE, FINANCE, IN SENATE, AS AMENDED, JUNE 30, 2010
 

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## 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," providing for implementation  
 24 provisions for Deferred Retirement Option Plans and, for ←  
 25 corrective measures for maintaining tax qualified status of  
 26 the Pennsylvania Municipal Retirement System AND FOR ←  
 27 SOLICITATION OF POLITICAL CONTRIBUTIONS; AND MAKING A RELATED  
 28 REPEAL.

29 The General Assembly of the Commonwealth of Pennsylvania  
 30 hereby enacts as follows:

31 Section 1. The definitions of "annuitant," "member" and

1 "regular interest" in section 102 of the act of February 1, 1974  
2 (P.L.34, No.15), known as the Pennsylvania Municipal Retirement  
3 Law, are amended and the section is amended by adding  
4 definitions to read:

5 Section 102. Definitions.--As used in this act:

6 \* \* \*

7 "Alternate payee" means a spouse, former spouse, child or  
8 dependent of a member, who is recognized by an approved domestic  
9 relations order as having a right to receive all or a portion of  
10 the money payable to the member under this act.

11 "Annuitant" means a [former contributor in receipt of a  
12 superannuation retirement allowance or other benefit provided by  
13 this act] member during the time period:

14 (1) beginning with the effective date of the member's  
15 retirement; and

16 (2) ending on the date of termination of the member's  
17 annuity.

18 "Approved domestic relations order" means a domestic  
19 relations order which has been approved under this act.

20 \* \* \*

21 "Compensation" means remuneration actually received for  
22 services rendered as a municipal employee, municipal fire  
23 fighter or municipal police officer, excluding reimbursement for  
24 expenses incidental to employment. The following apply:

25 (1) Compensation shall be adjusted as appropriate to comply  
26 with the terms of any contract entered into between the board  
27 and the applicable municipality under Article IV.

28 (2) For members who are enrolled in a plan that has adopted  
29 the provisions of section 414(h) of the Internal Revenue Code  
30 (26 U.S.C. § 414(h)), the term includes a contribution

1 designated as a pickup contribution.

2 (3) Notwithstanding any provision of this act to the  
3 contrary, a member's compensation shall not exceed the  
4 limitations under section 401(a)(17) of the Internal Revenue  
5 Code (26 U.S.C. § 401(a)(17)), as adjusted in accordance with  
6 section 401(a)(17)(B) of the Internal Revenue Code (26 U.S.C. §  
7 401(a)(17)(B)).

8 (i) The adjustment in effect for a calendar year applies to  
9 a period:

10 (A) which begins in the calender year;

11 (B) which does not exceed twelve months; and

12 (C) over which compensation is determined.

13 (ii) If a determination period consists of fewer than twelve  
14 months, the compensation limit shall be multiplied by a  
15 fraction:

16 (A) the numerator of which is the number of months in the  
17 determination period; and

18 (B) the denominator of which is twelve.

19 \* \* \*

20 "Date of termination of service" means:

21 (1) for an active member, the last day of employment in a  
22 status covered by the eligibility requirements of the pension  
23 plan; and

24 (2) for an inactive member on leave without pay, the date of  
25 resignation or the date employment is formally discontinued by  
26 the municipality.

27 "Domestic relations order" means any judgment, decree or  
28 order, including approval of a property settlement agreement,  
29 entered on or after the effective date of this definition by a  
30 court of competent jurisdiction pursuant to a domestic relations

1 law which relates to the marital property rights of the spouse  
2 or former spouse of a member, including the right to receive all  
3 or a portion of the money payable to that member under this act,  
4 in furtherance of the equitable distribution of marital assets.  
5 The term includes an "order of support" under 23 Pa.C.S. § 4302  
6 (relating to definitions) and an order for the enforcement of  
7 arrearages under 23 Pa.C.S. § 3703 (relating to enforcement of  
8 arrearages).

9 "DROP" means the Deferred Retirement Option Plan established  
10 by the board under this act and by a municipality under Chapter  
11 11 of the Municipal Pension Plan Funding Standard and Recovery  
12 Act.

13 "DROP interest" means the actual rate earned and credited by  
14 the board on the subsidiary DROP participant accounts, which  
15 shall not be less than zero percent nor more than four and one-  
16 half percent, annually.

17 "DROP participant" means an annuitant who has elected to  
18 participate in the DROP.

19 "Effective date of retirement" means one of the following:

20 (1) For a member who files an application for an annuity  
21 within ninety days after the date of termination of service, the  
22 first day following the date of termination of service.

23 (2) For a member who does not file an application for an  
24 annuity within ninety days after the date of termination of  
25 service, the later of:

26 (i) the date the application is filed; or

27 (ii) the date specified on the application.

28 (3) For a member who applies for a disability retirement,  
29 the date certified by the board as the effective date of  
30 disability.

1 (4) For a DROP participant, the day before the effective  
2 date of DROP participation as determined in accordance with the  
3 provisions of this act and Chapter 11 of the Municipal Pension  
4 Funding Standard and Recovery Act.

5 \* \* \*

6 "Internal Revenue Code" means the Internal Revenue Code of  
7 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.).

8 \* \* \*

9 "Member" means an individual that is:

10 (1) a municipal officer, employe, fireman or policeman[,];  
11 or;

12 (2) an employe of a municipal government association who  
13 [has become a member of the Pennsylvania Municipal Retirement  
14 System created by this act] is an active member, inactive  
15 member, annuitant, disability annuitant or vested member.

16 \* \* \*

17 "Municipal Pension Funding Standard and Recovery Act" means  
18 the act of December 18, 1984 (P.L.1005, No.205), known as the  
19 Municipal Pension Plan Funding Standard and Recovery Act.

20 \* \* \*

21 "Regular interest" means the rate fixed by the board, from  
22 time to time, on the basis of earnings on investments to be  
23 applied to the member's accounts, to the municipal accounts and  
24 to the retired member's reserve account.

25 \* \* \*

26 "Subsidiary DROP participant account" has the meaning given  
27 in section 1102 of the Municipal Pension Funding Standard and  
28 Recovery Act.

29 "Subsidiary DROP participant reserve account" means the  
30 account maintained for each subsidiary DROP participant account.

1 \* \* \*

2 Section 2. Section 104(10), (12.1), (12.2) and (13) of the  
3 act, amended May 17, 1980 (P.L.135, No.50), are amended and the  
4 section is amended by adding clauses to read:

5 Section 104. General Powers of the Board.--The board shall:

6 \* \* \*

7 (10) From time to time, with the advice of the Attorney  
8 General and the actuary, to adopt and promulgate such rules and  
9 regulations as may be required for the proper administration of  
10 the fund created by this act and the several accounts  
11 thereof[,]; to establish procedures which would permit an  
12 eligible retired public safety officer to pay qualified  
13 accident, health or long-term care insurance premiums as  
14 permitted under section 402(1) of the Internal Revenue Code (26  
15 U.S.C. § 402(1)); and to provide for the transaction of the  
16 business of the board;

17 \* \* \*

18 (12.1) [From time to time, at the direction of  
19 municipalities electing to] In accordance with the plan  
20 contract, provide cost-of-living increases from [their] a plan's  
21 share of excess investment earnings[, the board shall allocate  
22 excess investment earnings to provide additional "cost-of-  
23 living" pension benefits] to those members of such  
24 municipalities who have already retired. Such allocations shall  
25 be made, with the advice of the actuary, on a fully funded basis  
26 employing actuarial assumptions which reflect the nature of the  
27 liability. AN AWARD OF EXCESS INTEREST SHALL NOT BE MADE UNDER ←  
28 THIS PARAGRAPH IF THE PLAN IS LESS THAN 95% FUNDED AS OF THE  
29 PLAN'S MOST RECENT FILING OF THE ACTUARIAL REPORT REQUIRED UNDER  
30 THE ACT OF DECEMBER 18, 1984 (P.L.1005, NO.205), KNOWN AS THE

1 "MUNICIPAL PENSION PLAN FUNDING STANDARD AND RECOVERY ACT."

2 (12.2) [From time to time, at the direction of  
3 municipalities electing to apply their excess investment  
4 earnings to member contributions] In accordance with the plan  
5 contract, the board shall allocate excess investment earnings  
6 for active members of such municipalities by applying such  
7 allocation to member contributions. To the extent that  
8 additional liabilities may accrue as a result of such  
9 allocation, the actuary shall employ actuarial assumptions, on a  
10 fully funded basis, to accurately reflect the nature of the  
11 liability generated therefrom. AN AWARD OF EXCESS INTEREST SHALL ←  
12 NOT BE MADE UNDER THIS PARAGRAPH IF THE PLAN IS LESS THAN 95%  
13 FUNDED AS OF THE PLAN'S MOST RECENT FILING OF THE ACTUARIAL  
14 REPORT REQUIRED UNDER THE "MUNICIPAL PENSION PLAN FUNDING  
15 STANDARD AND RECOVERY ACT."

16 (12.3) Promulgate regulations required for the proper  
17 administration of the DROP.

18 (12.4) Establish a subsidiary DROP participant account for  
19 each DROP participant, provide for the separate investment and  
20 funding of each account and establish a monthly rate of interest  
21 to credit the money deposited in each account.

22 (13) Perform such other functions as are required for the  
23 execution of the provisions of this act and of other Federal and  
24 State law and administer and interpret this act to ensure that  
25 the system is maintained as tax qualified under the Internal  
26 Revenue Code.

27 Section 3. Section 108 of the act is amended to read:

28 Section 108. Retirement Funds and Accounts.--The  
29 Pennsylvania Municipal Retirement Fund shall consist of the  
30 money received from municipalities arising from contributions by

1 municipalities, [and] from payroll deductions from salary or  
2 compensation of members, and other contributions made by members  
3 through the municipality to the system, from DROP participants  
4 and from transfers made from municipal retirement or pension  
5 systems and credited as provided in this act, and investment  
6 earnings thereon.

7 The fund shall be a trust and the assets of the system shall  
8 be held in trust. No part of the assets of the system shall be  
9 used for or diverted to purposes other than for the exclusive  
10 benefit of the members, their spouses or the members'  
11 beneficiaries prior to the satisfaction of all liabilities of  
12 the system with respect to them. The assets of the fund shall  
13 only be used to pay:

14 (1) Benefits to members in accordance with this act.

15 (2) Necessary expenses of the system as established in this  
16 act.

17 Contributions made by municipalities toward superannuation  
18 retirement and death benefits of members shall be credited to  
19 the municipal account of said fund, contributions made by  
20 municipalities toward disability retirement of members shall be  
21 credited to the total disability reserve account of said fund,  
22 retirement benefits paid to DROP participants shall be credited  
23 to the subsidiary DROP reserve account and payroll deductions  
24 and other contributions of members shall be credited to the  
25 member's account of said fund. Transfers made from existing  
26 municipal retirement or pension systems shall be credited as  
27 provided in this act.

28 The board shall keep separate accounts of each municipality  
29 and for each separate class of employes enrolled by that  
30 municipality under the several articles of this act, except the



1 total disability reserve account and the retired member's  
2 reserve account which shall be maintained as pooled accounts.  
3 Each municipality and the members thereof shall be liable to the  
4 board for the amount of contributions required to cover the cost  
5 of the retirement allowance and other benefits payable to such  
6 members.

7 Upon the granting of a superannuation or voluntary or  
8 involuntary withdrawal retirement allowance to any contributor,  
9 the amount of such contributor's accumulated deductions in the  
10 member's account shall lose their status as accumulated  
11 deductions and shall be transferred to the retired member's  
12 reserve account and the actuarial equivalent of the municipal  
13 annuity shall be similarly transferred from the municipal  
14 account to the retired member's reserve account.

15 Upon the granting of a superannuation retirement allowance to  
16 any DROP participant, the full amount of the DROP participant's  
17 monthly retirement benefit shall be deposited monthly to a  
18 subsidiary DROP participant account in the subsidiary DROP  
19 participant reserve account until the DROP participant  
20 terminates employment.

21 Upon the granting of a disability retirement allowance to any  
22 contributor, there shall be transferred to the retired member's  
23 reserve account the amount of the contributor's accumulated  
24 deductions in the member's account, the amount of the equivalent  
25 actuarial value to the municipal annuity, and such additional  
26 amount from the total disability reserve account as is needed in  
27 addition thereto to provide the actuarial equivalent of the  
28 total disability allowance to which the contributor is entitled.

29 Section 4. Section 110 of the act, amended May 17, 1980  
30 (P.L.135, No.50), is amended to read:

1 Section 110. Management and Investment of Fund; Interest  
2 Credits.--(a) The members of the board shall be trustees of the  
3 fund, and shall have the exclusive management of said fund, with  
4 full power to invest the moneys therein, subject to the terms,  
5 conditions, limitations and restrictions imposed by law upon  
6 fiduciaries. The said trustees shall have power to hold,  
7 purchase, sell, assign, transfer and dispose of any securities  
8 and investments in said fund, as well as the proceeds of such  
9 investments, and of the money belonging to such fund.

10 (b) The board shall annually allow regular interest to the  
11 credit on each contributor's account, municipal account, the  
12 retired members reserve account and the total disability reserve  
13 account. [In addition, the board shall, after paying expenses,  
14 annually allow such excess interest as each municipality deems  
15 appropriate to the credit of the municipal accounts, member's  
16 accounts, the member's excess investment accounts, retired  
17 members reserve accounts and total disability reserve accounts.]  
18 The board shall monthly credit DROP interest to the subsidiary  
19 DROP participant accounts in accordance with established  
20 procedures.

21 (c) The board shall, after deducting money to pay for the  
22 appropriate expenses, allow excess interest as each contract  
23 provides to the credit of the municipal accounts, member's  
24 accounts, the member's excess investment accounts and retired  
25 members reserve accounts. Except as provided in a contract, the  
26 board shall credit the excess interest to the plan's municipal  
27 account.

28 SECTION 4.1. THE ACT IS AMENDED BY ADDING A SECTION TO READ: ←

29 SECTION 110.1. SOLICITATION OF POLITICAL CONTRIBUTIONS.--(A)

30 THIS SECTION APPLIES TO A PERSON OR AN AFFILIATED ENTITY THAT

1 DOES ANY OF THE FOLLOWING:

2 (1) ENTERS INTO A PROFESSIONAL SERVICES CONTRACT WITH THE  
3 SYSTEM OR ANY MUNICIPAL PENSION SYSTEM IN THIS COMMONWEALTH.

4 (2) SUBMITS AN OFFER FOR OR BIDS ON A PROFESSIONAL SERVICES  
5 CONTRACT WITH THE SYSTEM OR ANY MUNICIPAL PENSION SYSTEM IN THIS  
6 COMMONWEALTH.

7 (3) RESPONDS TO A REQUEST FOR PROPOSAL ON A PROFESSIONAL  
8 SERVICES CONTRACT WITH THE SYSTEM OR ANY MUNICIPAL PENSION  
9 SYSTEM IN THIS COMMONWEALTH.

10 (4) OTHERWISE SOLICITS A PROFESSIONAL SERVICES CONTRACT WITH  
11 THE SYSTEM OR ANY MUNICIPAL PENSION SYSTEM IN THIS COMMONWEALTH.

12 (B) A PERSON OR AN AFFILIATED ENTITY SUBJECT TO SUBSECTION  
13 (A) MAY NOT SOLICIT A CONTRIBUTION TO A MUNICIPAL OFFICIAL OR  
14 CANDIDATE FOR MUNICIPAL OFFICE WHERE THE MUNICIPAL PENSION  
15 SYSTEM IS ORGANIZED OR TO THE POLITICAL ACTION COMMITTEE OF THAT  
16 OFFICIAL CANDIDATE. THE PROHIBITION UNDER THIS SUBSECTION  
17 APPLIES TO ANY AGENT, OFFICER, DIRECTOR OR EMPLOYEE OF THE  
18 PERSON OR AFFILIATED ENTITY.

19 (C) DEFINITIONS.--AS USED IN THIS SECTION:

20 "AFFILIATED ENTITY" HAS THE MEANING GIVEN IN SECTION 701-A OF  
21 THE ACT OF DECEMBER 18, 1984 (P.L.1005, NO.205), KNOWN AS THE  
22 MUNICIPAL PENSION PLAN FUNDING STANDARD AND RECOVERY ACT.

23 "PROFESSIONAL SERVICES CONTRACT" HAS THE MEANING GIVEN IN  
24 SECTION 701-A OF THE MUNICIPAL PENSION PLAN FUNDING STANDARD AND  
25 RECOVERY ACT.

26 Section 5. Section 111 of the act is amended to read:

27 Section 111. Municipal Guarantee.--The regular interest  
28 charges payable, the DROP interest charges payable and the  
29 creation and maintenance of the necessary reserves for the  
30 payment of the municipal and member's annuities, as to any

1 municipality in accordance with this act, are hereby made the  
2 obligation of that municipality.

3 In the case of the failure of a municipality to make payments  
4 as required by this act, the Commonwealth shall withhold payment  
5 to the municipality of any funds to which the municipality may  
6 be entitled for pension purposes. The board may recover any sums  
7 due to the fund by suit at law, or other appropriate remedy.

8 Section 6. Section 112 of the act, amended July 5, 2005  
9 (P.L.50, No.16), is amended to read:

10 Section 112. Annual Estimates to Municipalities;  
11 Administrative Expenses.--The board shall prepare and submit to  
12 each municipality, on or before the first day of the third month  
13 preceding the commencing of each municipality's fiscal year, an  
14 itemized estimate of the amounts necessary to be appropriated by  
15 the municipality to complete the payments of the obligations of  
16 the municipality to the fund during its next fiscal year.

17 The board shall annually prepare and approve a budget  
18 covering the administrative expenses of this act. Such expenses  
19 as approved by the board shall be paid from receipts from  
20 assessments made against each municipality for administrative  
21 expenses. This assessment shall be based on the number of  
22 members in each municipality and shall not exceed the sum of  
23 twenty dollars (\$20) per member per year. If, in [the calendar  
24 years 1995 through 2005] any calendar year, the amount received  
25 from such assessments, when imposed at the maximum rate, is not  
26 sufficient to cover the administrative expenses, then the  
27 balance of such expenses shall be paid from interest earnings on  
28 the fund in excess of the regular interest credited to the  
29 municipal, members' and retired members' reserve accounts and  
30 DROP interest credited to the subsidiary DROP participant

1 reserve account and shall not, in any year, exceed six-tenths of  
2 one per cent of the total asset value of the fund as of the  
3 beginning of the calendar year. The administration of the  
4 Pennsylvania Municipal Retirement System shall be audited  
5 annually and a report of this audit shall be made annually to  
6 the General Assembly.

7 The secretary of the board shall submit a proposed budget for  
8 the following fiscal year to the Senate and House Local  
9 Government Committees no later than November 1 of the year  
10 preceding that for which the budget is being prepared. The  
11 respective committees shall meet and review such budget  
12 document. If the committees take no action within sixty days of  
13 said November 1, the budget for the following calendar year  
14 shall be deemed approved.

15 Section 7. Section 114 of the act is amended to read:

16 Section 114. Monthly Payments.--[Any] (a) (1) Except as  
17 provided under clause (2), any retirement allowance created  
18 under the provisions of this act shall be paid in equal monthly  
19 installments and shall not be increased, decreased, revoked or  
20 repealed, except where specifically otherwise provided by this  
21 act.

22 (2) Notwithstanding clause (1), if the annuitant is a DROP  
23 participant, the equal monthly installment shall be deposited to  
24 the subsidiary DROP participant account and paid out in  
25 accordance with the DROP program.

26 (b) The annual retirement benefit payable to a member shall  
27 not exceed the annual dollar limitation under section 415(b)(1)  
28 (A) of the Internal Revenue Code (26 U.S.C. § 415(b)(1)(A)), as  
29 may be adjusted under section 415(d) of the Internal Revenue  
30 Code (26 U.S.C. § 415(d)). If an adjustment is required due to

1 the Internal Revenue Code, regulations or other publications  
2 issued by the Internal Revenue Service, the adjustment shall  
3 only apply to the dollar limitation specified in this section.

4 Section 8. Section 115 of the act, repealed in part April  
5 28, 1978 (P.L.202, No.53), is amended to read:

6 Section 115. Exemption of Retirement Allowance.--(a) The  
7 retirement allowance and the contributions of members to the  
8 fund, all contributions returned to contributors under the  
9 provisions of this act and the moneys in the fund created by  
10 this act, shall be exempt from any State or municipal tax and  
11 shall be unassignable except to a beneficiary.

12 (b) Rights under this act shall be subject to all of the  
13 following:

14 (1) Attachment in favor of an alternate payee as set forth  
15 in an approved domestic relations order.

16 (2) Forfeiture as provided by the act of July 8, 1978  
17 (P.L.752, No.140), known as the "Public Employee Pension  
18 Forfeiture Act." Forfeitures under this clause or under any  
19 other provision of law may not be applied to increase the  
20 benefits that any member would otherwise receive under this act.

21 (c) Notwithstanding any other provision of this section, a  
22 distributee may elect, at the time and in the manner prescribed  
23 by the board, to have any portion of an eligible rollover  
24 distribution paid directly to an eligible retirement plan  
25 utilizing a direct rollover.

26 (d) For purposes of this section, the following words shall  
27 have the following meanings:

28 "Distributee." A member, a member's surviving spouse or a  
29 member's former spouse who is an alternate payee under an  
30 approved domestic relations order.

1 "Eligible retirement plan." (1) Except as provided under  
2 clause (2), the term shall have the meaning given to it in  
3 section 402(c)(8)(B) of the Internal Revenue Code (26 U.S.C. §  
4 402(c)(8)(B)).

5 (2) The term shall include a qualified trust in section  
6 402(c)(8)(B)(iii) of the Internal Revenue Code only if the  
7 qualified trust accepts the distributee's eligible rollover  
8 distribution. If the eligible rollover distribution is made to a  
9 nonspousal beneficiary, an eligible retirement plan shall be  
10 deemed an "individual retirement account" or an "individual  
11 retirement annuity" as defined in section 408(a) and (b) of the  
12 Internal Revenue Code (26 U.S.C. § 408(a) and (b)).

13 "Eligible rollover distribution." The term shall have the  
14 meaning given to it in section 402(f)(2)(A) of the Internal  
15 Revenue Code (26 U.S.C. § 402(f)(2)(A)).

16 Section 9. The act is amended by adding sections to read:

17 Section 118. Approval of Domestic Relations Orders.--(a) A  
18 domestic relations order shall be certified as an approved  
19 domestic relations order by the secretary of the board or the  
20 secretary's designated representative only if the order meets  
21 all of the following:

22 (1) Requires the system to provide a type or form of benefit  
23 or an option already provided under this act.

24 (2) Requires the system to provide no more than the total  
25 amount of benefits that the member would otherwise receive,  
26 determined on the basis of actuarial value, unless increased  
27 benefits are paid to the member or, if the order provides, to  
28 the alternate payee based upon cost-of-living increases or  
29 increases based on other than actuarial value.

30 (3) Specifies the amount or percentage of the member's

1 benefits to be paid by the system to each alternate payee or the  
2 manner in which the amount or percentage is to be determined.

3 (4) Specifies the retirement option to be selected by the  
4 member upon retirement or states that the member may select any  
5 retirement option offered by this act upon retirement.

6 (5) Specifies the name and last known mailing address of the  
7 member and the name and last known mailing address of each  
8 alternate payee covered by the order and states that it is the  
9 responsibility of each alternate payee to keep a current mailing  
10 address on file with the system.

11 (6) Does not grant an alternate payee any of the rights,  
12 options or privileges of a member under this act.

13 (7) Requires the member to execute an authorization allowing  
14 each alternate payee to monitor the member's compliance with the  
15 terms of the domestic relations order through access to  
16 information concerning the member maintained by the system.

17 (b) The following apply:

18 (1) Upon receipt of a proposed domestic relations order, the  
19 secretary of the board or the secretary's designated  
20 representative shall determine whether the proposed order shall  
21 be deemed an approved domestic relations order and shall notify  
22 the member and each alternate payee of this determination.

23 (2) Notwithstanding any other provision of law, the  
24 exclusive remedy of any member or alternate payee aggrieved by a  
25 decision of the secretary of the board or the secretary's  
26 designated representative shall be the right to an adjudication  
27 by the board under 2 Pa.C.S. Ch. 5 Subch. A (relating to  
28 practice and procedure of Commonwealth agencies) with appeal to  
29 the Commonwealth Court under 2 Pa.C.S. Ch. 7 Subch. A (relating  
30 to judicial review of Commonwealth agency action) and 42 Pa.C.S.



1 § 763(a)(1) (relating to direct appeals from government  
2 agencies).

3 (c) The following apply:

4 (1) The requirements for approval under subsection (a) shall  
5 not apply to any domestic relations order which is an "order of  
6 support" under 23 Pa.C.S. § 4302 (relating to definitions) or an  
7 order for the enforcement of arrearages under 23 Pa.C.S. § 3703  
8 (relating to enforcement of arrearages).

9 (2) Orders under clause (1) shall be approved to the extent  
10 that they do not attach money in excess of the limits on  
11 attachments as established by the Federal or State law.

12 (d) Only the requirements of this section and regulations  
13 promulgated under this act shall be used to govern the approval  
14 or disapproval of a domestic relations order. If the secretary  
15 of the board or the secretary's designated representative acts  
16 in accordance with this act and regulations promulgated under  
17 this act in approving or disapproving a domestic relations  
18 order, the obligations of the system with respect to the  
19 approval or disapproval shall be discharged.

20 Section 119. Amendment of Approved Domestic Relations  
21 Orders.--(a) If an alternate payee of an approved domestic  
22 relations order predeceases the member and there are benefits  
23 payable to the alternate payee, the court may amend the approved  
24 domestic relations order to substitute a person for the deceased  
25 alternate payee to receive benefits payable to the deceased  
26 alternate payee.

27 (b) If a court amends an approved domestic relations order,  
28 the amended order must be submitted for recertification as an  
29 approved domestic relations order as provided in this act.

30 Section 120. Irrevocable Beneficiary.--Notwithstanding any

1 other provision of this act, a domestic relations order may  
2 provide for an irrevocable beneficiary. A domestic relations  
3 order requiring the nomination of an irrevocable beneficiary  
4 shall be deemed to be one that requires a member to nominate an  
5 alternate payee as a beneficiary and that prohibits the removal  
6 or change of that beneficiary without approval of a court of  
7 competent jurisdiction, except by operation of law. A domestic  
8 relations order subject to this section may be certified as an  
9 approved domestic relations order by the secretary of the board  
10 or the secretary's designated representative after the member  
11 makes the nomination, in which case the irrevocable beneficiary  
12 ordered by the court may not be changed by the member without  
13 approval of the court.

14 Section 121. Irrevocable Survivor Annuitant.--  
15 Notwithstanding any other provision of this act, a domestic  
16 relations order may provide for an irrevocable survivor  
17 annuitant. A domestic relations order requiring the designation  
18 of an irrevocable survivor annuitant shall be deemed to be one  
19 that requires a member to designate an alternate payee as a  
20 survivor annuitant and that prohibits the removal or change of  
21 that survivor annuitant without approval of a court of competent  
22 jurisdiction, except by operation of law. A domestic relations  
23 order subject to this section may be certified as an approved  
24 domestic relations order by the secretary of the board or the  
25 secretary's designated representative, in which case the  
26 irrevocable survivor annuitant ordered by the court may not be  
27 changed by the member without approval of the court. A person  
28 ineligible to be designated as a survivor annuitant may not be  
29 designated an irrevocable survivor annuitant.

30 Section 10. Section 207(c) of the act, amended November 29,

1 2004 (P.L.1331, No.169), is amended and the section is amended  
2 by adding a subsection to read:

3 Section 207. Withdrawal; Return to Service; Death in  
4 Service.--\* \* \*

5 (c) (1) Should a person who has been retired on a  
6 retirement under this act, return to employment on a regular  
7 full-time basis in the same municipality, his retirement  
8 allowance shall cease, and in the case of an annuity, other than  
9 a disability annuity, the present value of such annuity shall be  
10 frozen as of the date such annuity ceases. Upon subsequent  
11 discontinuance of service, such member, other than a former  
12 disability annuitant, shall be entitled to an annuity which is  
13 actuarially equivalent to the sum of the present value of the  
14 annuity previously being paid and the present value of the  
15 annuity earned by further service and further deductions added  
16 upon reemployment.

17 (2) For the purposes of this section if a person is  
18 reemployed [on a temporary, seasonal or part-time basis and his  
19 gross post-retirement earnings from such reemployment during the  
20 calendar year are less than five thousand dollars (\$5,000) or  
21 such other maximum as the board may establish, he shall not be  
22 deemed reemployed, but if and when his gross post-retirement  
23 earnings exceed five thousand dollars (\$5,000) or such other  
24 maximum as the board may establish in any calendar year he shall  
25 not be entitled to receive his retirement allowance for that  
26 month or any subsequent month in the calendar year in which he  
27 continues in service.] following commencement of his retirement  
28 allowance, he shall not be entitled to receive his retirement  
29 allowance for that month or any subsequent month in which he  
30 continues in service.

1 (3) Notwithstanding clause (2), if the person is otherwise  
2 eligible to receive an in-service distribution of his retirement  
3 benefit by attainment of normal retirement age as defined in  
4 section 411(a)(8) of the Internal Revenue Code (26 U.S.C. §  
5 411(a)(8)), operation of section 401(a)(36) of the Internal  
6 Revenue Code (26 U.S.C. § 401(a)(36)) or operation of any other  
7 provision as may be adopted by the board and consistent with the  
8 tax-qualification provisions of the Internal Revenue Code, the  
9 person's retirement allowance shall continue to be paid through  
10 the period of reemployment.

11 (4) The municipality is required to notify the board  
12 immediately of the reemployment status of any retired former  
13 employe and file separate monthly reports of his gross earnings  
14 as prescribed by the board.

15 \* \* \*

16 (e) If a member dies while performing qualified military  
17 service, as defined in section 414(u)(5) of the Internal Revenue  
18 Code (26 U.S.C. § 414(u)(5)), the survivors of the member shall  
19 be entitled to receive any additional benefits, other than  
20 benefit accruals relating to the period of qualified military  
21 service, as though the member had returned to service and then  
22 terminated employment on account of death.

23 Section 11. Section 211 of the act, amended June 10, 1982  
24 (P.L.446, No.131), is amended to read:

25 Section 211. Options on Superannuation or Early  
26 Retirement.--(a) At the time of his superannuation or early  
27 retirement, a contributor may elect to receive his benefits in a  
28 retirement allowance payable throughout his life, which shall be  
29 known as a single life annuity. In the event of the death of an  
30 annuitant who has elected to receive the maximum single life

1 annuity before he has received in annuity payments the full  
2 amount of the total accumulated deductions standing to his  
3 credit on the effective date of retirement, the balance shall be  
4 paid to his designated beneficiary, or instead, he may elect to  
5 receive the equivalent actuarial value at that time of his  
6 retirement allowance in a lesser allowance, payable throughout  
7 life with provisions that:

8 (1) Option 1. If he shall die before receiving in payments  
9 the present value of his retirement allowance as it was at the  
10 time of his retirement, the balance, if less than five thousand  
11 dollars (\$5,000), shall be paid in a lump sum to his legal  
12 representative, or to or in trust for his beneficiary. If the  
13 balance is five thousand dollars (\$5,000) or more, the  
14 beneficiary may elect by application duly acknowledged and filed  
15 with the board to receive payment of such balance according to  
16 any one of the following provisions: (i) a lump sum payment;  
17 (ii) an annuity having a present value equal to the balance  
18 payable; (iii) a lump sum payment and an annuity. Such annuity  
19 shall be of equivalent actuarial value to the balance payable  
20 less the amount of the lump sum payment specified by the  
21 beneficiary.

22 (2) Option 2. Upon his death, his retirement allowance  
23 shall be continued throughout the life of and paid to his  
24 survivor annuitant, if then living.

25 (3) Option 3. Upon his death, one-half of his retirement  
26 allowance shall be continued throughout the life of and paid to  
27 his survivor annuitant, if then living.

28 (b) A member or beneficiary shall not be entitled to a form  
29 of benefit which commences or is payable over a period which  
30 fails to satisfy the required distributions of section 401(a)(9)

1 of the Internal Revenue Code (26 U.S.C. § 401(a)(9)).

2 Section 12. Section 213 of the act is amended by adding a  
3 subsection to read:

4 Section 213. Vesting.--\* \* \*

5 (e) Upon the termination of the retirement plan, all  
6 members, regardless of credited service, shall be deemed fully  
7 vested in their accrued benefit to the extent the benefits  
8 provided under the plan are funded as of the date of  
9 termination.

10 Section 13. Section 308 of the act, amended May 17, 1980  
11 (P.L.135, No.50) and June 10, 1982 (P.L.446, No.131), is amended  
12 to read:

13 Section 308. Withdrawal; Return to Service; Death in  
14 Service.--(a) Should a contributor, before reaching  
15 superannuation retirement age, for any reason cease to be a  
16 municipal fireman or a municipal policeman, he shall be paid by  
17 the board the full amount of the accumulated deductions standing  
18 to his credit in the member's account, unless he is entitled to  
19 vesting rights or to a retirement allowance for retirement not  
20 voluntarily, and elects to exercise such vesting rights or take  
21 such retirement allowance. Should such former contributor  
22 thereafter return to the service of the same municipality and  
23 restore to the fund, in such manner as may be agreed upon by  
24 such person and the board, his withdrawn accumulated deductions  
25 as they were at the time of his separation from service, his  
26 annuity rights as they existed at the time of separation from  
27 service shall be restored and his obligations as a member shall  
28 begin again.

29 (b) Should a contributor, having attained or passed  
30 superannuation age, elect, upon leaving the service of the

1 municipality, not to claim the retirement allowance to which he  
2 is entitled, he shall, upon written application, be paid by the  
3 board the full amount of the accumulated deductions standing to  
4 his credit in the member's account, and the balance in the  
5 member's excess investment account.

6 (c) (1) Should a person who has been retired on a  
7 retirement allowance under this act, return to employment on a  
8 regular full-time basis in the same municipality, his retirement  
9 allowance shall cease, and in the case of an annuity, other than  
10 a disability annuity, the present value of such annuity shall be  
11 frozen as of the date such annuity ceases. Upon subsequent  
12 discontinuance of service, such member, other than a former  
13 disability annuitant, shall be entitled to an annuity which is  
14 actuarially equivalent to the sum of the present value of the  
15 annuity previously being paid and the present value of the  
16 annuity earned by further service and further deductions added  
17 upon reemployment.

18 (2) For the purposes of this section if a person is  
19 reemployed [on a temporary or seasonal basis and his gross post-  
20 retirement earnings from such reemployment during the calendar  
21 year are less than five thousand dollars (\$5,000) or such other  
22 maximum as the board may establish, he shall not be deemed  
23 reemployed, but if and when his gross post-retirement earnings  
24 exceed five thousand dollars (\$5,000) or such other maximum as  
25 the board may establish in any calendar year he shall not be  
26 entitled to receive his retirement allowance for that month or  
27 any subsequent month in the calendar year in which he continues  
28 in service.] following commencement of his retirement allowance  
29 in a capacity other than as a DROP participant, the person shall  
30 not be entitled to receive his retirement allowance for that

1 month or any subsequent month in which he continues in service.

2 (3) Notwithstanding clause (2), if the person is otherwise  
3 eligible to receive an in-service distribution of his retirement  
4 benefit by attainment of normal retirement age as defined in  
5 section 411(a)(8) of the Internal Revenue Code (26 U.S.C. §  
6 411(a)(8)), operation of section 401(a)(36) of the Internal  
7 Revenue Code (26 U.S.C. § 401(a)(36)) or operation of any other  
8 provision as may be adopted by the board and consistent with the  
9 tax-qualification provisions of the Internal Revenue Code, the  
10 person's retirement allowance shall continue to be paid through  
11 the period of reemployment. The municipality is required to  
12 notify the board immediately of the reemployment status of any  
13 retired former employe and file separate monthly reports of his  
14 gross earnings as prescribed by the board.

15 (d) Should a contributor die while in service, prior to  
16 becoming eligible for a retirement allowance, his accumulated  
17 deductions shall be paid to his estate, or to such person, if  
18 living, as he shall have designated, in writing, filed with the  
19 board as his beneficiary. In case any contributor has failed to  
20 designate a beneficiary, or if the named beneficiary has  
21 predeceased the member and no successor beneficiary has been  
22 named, and upon the death in service shall have less than one  
23 hundred dollars (\$100) in accumulated deductions standing to his  
24 credit, the board may, if letters testamentary or of  
25 administration have not been taken out on his estate within six  
26 months after his death, pay such accumulated deductions on the  
27 claim of the undertaker, or to such person or municipality which  
28 shall have paid the claim of the undertaker.

29 (e) If a member dies while performing qualified military  
30 service, as defined in section 414(u)(5) of the Internal Revenue



1 Code (26 U.S.C. § 414(u)(5)), the survivors of the member shall  
2 be entitled to receive any additional benefits, other than  
3 benefit accruals relating to the period of qualified military  
4 service, as though the member had returned to service and then  
5 terminated employment on account of death.

6 Section 14. Section 312 of the act, amended June 10, 1982  
7 (P.L.446, No.131), is amended to read:

8 Section 312. Options on Superannuation or Early  
9 Retirement.--(a) At the time of his superannuation or early  
10 retirement, a contributor may elect to receive his benefits in a  
11 retirement allowance payable throughout his life, which shall be  
12 known as a single life annuity. In the event of the death of an  
13 annuitant who has elected to receive the maximum single life  
14 annuity before he has received in annuity payments the full  
15 amount of the total accumulated deductions standing to his  
16 credit on the effective date of retirement, the balance shall be  
17 paid to his designated beneficiary, or instead, he may elect, to  
18 receive the actuarial equivalent value at that time of his  
19 retirement allowance in a lesser allowance, payable throughout  
20 life with provisions that:

21 (1) Option 1. If he shall die before receiving in payments  
22 the present value of his retirement allowance as it was at the  
23 time of his retirement, the balance, if less than five thousand  
24 dollars (\$5,000) shall be paid in a lump sum to his legal  
25 representative, or to or in trust for his beneficiary. If the  
26 balance is five thousand dollars (\$5,000) or more, the  
27 beneficiary may elect by application duly acknowledged and filed  
28 with the board to receive payment of such balance according to  
29 any of the following provisions: (i) a lump sum payment, (ii) an  
30 annuity having a present value equal to the balance payable,

1 (iii) a lump sum payment and an annuity. Such annuity shall be  
2 of equivalent actuarial value to the balance payable less the  
3 amount of the lump sum payment specified by the beneficiary.

4 (2) Option 2. Upon his death his retirement allowance shall  
5 be continued throughout the life of and paid to his survivor  
6 annuitant, if then living.

7 (3) Option 3. Upon his death, one-half of his retirement  
8 allowance shall be continued throughout the life of and paid to  
9 his survivor annuitant, if then living.

10 (b) A member or beneficiary shall not be entitled to a form  
11 of benefit which commences or is payable over a period which  
12 fails to satisfy the required distributions of section 401(a)(9)  
13 of the Internal Revenue Code (26 U.S.C. § 401(a)(9)).

14 Section 15. Section 314 of the act is amended by adding a  
15 subsection to read:

16 Section 314. Vesting.--\* \* \*

17 (e) Upon the termination of the retirement plan, all  
18 members, regardless of credited service, shall be deemed fully  
19 vested in their accrued benefit to the extent the benefits  
20 provided under the plan are funded as of the date of  
21 termination.

22 Section 16. Section 403(8) and (14) of the act, amended May  
23 17, 1980 (P.L.135, No.50), are amended to read:

24 Section 403. Contract Provisions.--Any contract for an  
25 optional retirement plan entered into between a municipality and  
26 the board shall not provide for any benefits in excess of or  
27 minimum member's contribution rates less than those available to  
28 that municipality for that class of employes under any existing  
29 law pertaining to the establishment of a retirement or pension  
30 system, except to the extent that excess investment earnings are

1 allocated to provide for additional pension benefits or member  
2 accruals as otherwise provided in this law.

3 The contract shall specifically state the following terms and  
4 conditions:

5 \* \* \*

6 (8) A description of any optional methods of payment of  
7 retirement allowances available to a member, including the  
8 availability of the DROP.

9 \* \* \*

10 (14) Any other information which might have a bearing on the  
11 costs or benefits of the retirement plan which might be required  
12 by the board in the administration of the plan, including  
13 whether the municipality will permit an eligible retired public  
14 safety officer to direct that a portion of his annuity be used  
15 to pay qualified accident, health or long-term care insurance  
16 premiums as remitted under section 402(1) of the Internal  
17 Revenue Code (26 U.S.C. § 402(1)).

18 Section 17. Section 406(c) of the act, amended November 29,  
19 2004 (P.L.1331, No.169), is amended and the section is amended  
20 by adding a subsection to read:

21 Section 406. Withdrawal; Return to Service; Death in  
22 Service.--\* \* \*

23 (c) (1) Should a person who has been retired on a  
24 retirement allowance under this act and who is not a DROP  
25 participant, return to employment on a regular full-time basis  
26 in the same municipality, his retirement allowance shall cease,  
27 and in the case of an annuity, other than a disability annuity,  
28 the present value of such annuity shall be frozen as of the date  
29 such annuity ceases. Upon subsequent discontinuance of service,  
30 such member, other than a former disability annuitant, shall be

1 entitled to an annuity which is actuarially equivalent to the  
2 sum of the present value of the annuity previously being paid  
3 and the present value of the annuity earned by further service  
4 and further deductions added upon reemployment.

5 (2) For the purposes of this section if a person [is  
6 reemployed on a temporary, seasonal or part-time basis and his  
7 gross post-retirement earnings from such reemployment during the  
8 calendar year are less than five thousand dollars (\$5,000) or  
9 such other maximum as the board may establish, he shall not be  
10 deemed reemployed, but if and when his gross post-retirement  
11 earnings exceed five thousand dollars (\$5,000) or such other  
12 maximum as the board may establish in any calendar year he shall  
13 not be entitled to receive his retirement allowance for that  
14 month or any subsequent month in the calendar year in which he  
15 continues in service.], other than a DROP participant, is  
16 reemployed following commencement of his retirement allowance,  
17 the person shall not be entitled to receive the person's  
18 retirement allowance for that month or any subsequent month in  
19 which he continues in service.

20 (3) Notwithstanding clause (2), if the person is otherwise  
21 eligible to receive an in-service distribution of his retirement  
22 benefit by attainment of normal retirement age as defined in  
23 section 411(a) (8) of the Internal Revenue Code (26 U.S.C. §  
24 411(a) (8)), operation of section 401(a) (36) of the Internal  
25 Revenue Code (26 U.S.C. § 401(a) (36)) or operation of any other  
26 provision as may be adopted by the board and consistent with the  
27 tax-qualification provisions of the Internal Revenue Code, the  
28 person's retirement allowance shall continue to be paid through  
29 the period of reemployment. The municipality is required to  
30 notify the board immediately of the reemployment status of any

1 retired former employe and file separate monthly reports of his  
2 gross earnings as prescribed by the board.

3 \* \* \*

4 (f) If a member dies while performing qualified military  
5 service, as defined in section 414(u) (5) of the Internal Revenue  
6 Code (26 U.S.C. § 414(u) (5)), the survivors of the member shall  
7 be entitled to receive any additional benefits, other than  
8 benefit accruals relating to the period of qualified military  
9 service, as though the member had returned to service and then  
10 terminated employment on account of death.

11 Section 18. Section 409 of the act, amended June 10, 1982  
12 (P.L.446, No.131), is amended to read:

13 Section 409. Options on Superannuation or Early  
14 Retirement.--(a) At the time of his superannuation or early  
15 retirement, a contributor may elect to receive his benefits in a  
16 retirement allowance payable throughout his life, which shall be  
17 known as a single life annuity. In the event of the death of an  
18 annuitant who has elected to receive the maximum single life  
19 annuity before he has received in annuity payments the full  
20 amount of the total accumulated deductions standing to his  
21 credit on the effective date of retirement, the balance shall be  
22 paid to his designated beneficiary, or instead, he may elect to  
23 receive the actuarial equivalent at that time of his retirement  
24 allowance in a lesser allowance, payable throughout life with  
25 provisions that:

26 (1) Option 1. If he shall die before receiving in payments  
27 the present value of his retirement allowance as it was at the  
28 time of his retirement, the balance, if less than five thousand  
29 dollars (\$5,000), shall be paid in a lump sum to his legal  
30 representative, or to or in trust for his beneficiary. If the

1 balance is five thousand dollars (\$5,000) or more, the  
2 beneficiary may elect by application duly acknowledged and filed  
3 with the board to receive payment of such balance according to  
4 any one of the following provisions: (i) a lump sum payment,  
5 (ii) an annuity having a present value equal to the balance  
6 payable, (iii) a lump sum payment and an annuity. Such annuity  
7 shall be of equivalent actuarial value to the balance payable  
8 less the amount of the lump sum payment specified by the  
9 beneficiary.

10 (2) Option 2. Upon his death, his retirement allowance  
11 shall be continued throughout the life of and paid to his  
12 survivor annuitant, if then living.

13 (3) Option 3. Upon his death, one-half of his retirement  
14 allowance shall be continued throughout the life of and paid to  
15 his survivor annuitant, if then living.

16 (4) Option 4. Any other optional form of payment contained  
17 in the contract.

18 (b) A member or beneficiary shall not be entitled to a form  
19 of benefit which commences or is payable over a period which  
20 fails to satisfy the required distribution provisions of section  
21 401(a)(9) of the Internal Revenue Code (26 U.S.C. § 401(a)(9)),  
22 including the incidental benefit distribution requirements.

23 Section 19. Section 410 of the act, amended January 4, 1978  
24 (P.L.1, No.1), is amended to read:

25 Section 410. Vesting.--(a) Provisions for vesting may be  
26 included in the contract between the municipality and the board.  
27 When such provision is made it shall mean that a contributor who  
28 terminates his employment with the municipality after a  
29 stipulated age or length of service, or both, may, if he so  
30 elects in writing, leave his contributions, plus interest, as

1 credited to his account, in the fund, and, upon reaching  
2 superannuation retirement age, receive a superannuation  
3 retirement allowance and accumulated deductions would include  
4 interest from date of termination until the earlier of the date  
5 of commencement of the annuity or the date of payment of member  
6 contributions.

7 (b) Upon the termination of the retirement plan, all  
8 members, regardless of credited service, shall be deemed fully  
9 vested in their accrued benefit to the extent the benefits  
10 provided under the plan are funded as of the date of  
11 termination.

12 Section 20. Section 412 of the act, amended May 17, 1980,  
13 P.L.135, No.50), is amended to read:

14 Section 412. Withdrawal Provisions.--A municipality which  
15 has joined the retirement system created or continued under this  
16 Article IV may, for good and stated cause, file an application  
17 with the board for permission to withdraw from the system if it  
18 meets all of the following requirements:

19 (1) The municipality has been enrolled in the system for a  
20 period of at least five years.

21 (2) The municipality has met all of its financial  
22 obligations to the system.

23 (3) The legislative body of the municipality has passed an  
24 ordinance or resolution signifying its intention to withdraw  
25 from the system.

26 (4) The municipality has certified to the board that an  
27 affirmative vote approving withdrawal from the system had been  
28 obtained from at least seventy-five per cent of all of the  
29 municipal employes affected by the ordinance or resolution.

30 The board shall within ninety days of its receipt, take

1 action on an application filed by a municipality for permission  
2 to withdraw from the system. If the application is approved the  
3 withdrawing municipality shall be entitled to receive a net  
4 refund of the amounts then standing to the credit of the  
5 municipality in the member's account, the member's excess  
6 investment account, the municipal account, the subsidiary DROP  
7 participant reserve account and the retired member's reserve  
8 accounts of the system. In no event shall the total amount of  
9 the net refund to the municipality exceed the pro rata interest  
10 of the withdrawing municipality in the net assets of the entire  
11 fund based on the market value of the investments of the fund as  
12 of the date of receipt of the application for permission to  
13 withdraw. The liability for the continuation of retirement or  
14 disability allowances being paid from the fund shall attach  
15 against the withdrawing municipality and be paid from funds  
16 transferred to a retirement system established subsequent to its  
17 withdrawal from the system or from moneys appropriated annually  
18 from tax revenues sufficient to pay the same. If the board  
19 disapproves the application of the municipality for permission  
20 to withdraw from the system the board shall promptly notify the  
21 municipality of its decision and advise the municipality of the  
22 board's reason or reasons for disapproval. The board shall  
23 establish rules and regulations, in accordance with the  
24 provisions of clause (10) of section 104 of this act, governing  
25 the details of the procedures to be followed in the withdrawal  
26 of municipalities from the system.

27 SECTION 21. REPEALS ARE AS FOLLOWS: 

28 (1) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER  
29 PARAGRAPH (2) IS NECESSARY TO EFFECTUATE THE ADDITION OF  
30 SECTION 110.1 OF THE ACT.



1           (2) SECTION 703-A(B) OF THE ACT OF DECEMBER 18, 1984  
2           (P.L.1005, NO.205), KNOWN AS THE MUNICIPAL PENSION PLAN  
3           FUNDING STANDARD AND RECOVERY ACT, IS REPEALED.  
4           Section ~~21~~ 22. This act shall take effect immediately.           ←