

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1185 Session of 2015

INTRODUCED BY SANTARSIERO, SCHREIBER, FRANKEL, M. DALEY, THOMAS, SCHLOSSBERG, BROWNLEE, ROZZI, KINSEY, O'BRIEN, McNEILL, SIMS, HARKINS, GALLOWAY AND DEAN, JUNE 1, 2015

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, JUNE 1, 2015

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 employees, 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," in general provisions,
 24 further providing for the definitions of "beneficiary" and
 25 "survivor annuitant"; in provisions relating to municipal
 26 employes, providing for rights of municipal employes'
 27 spouses, and further providing for options on superannuation
 28 or early retirement; in provisions relating to municipal
 29 firemen and municipal police, further providing for options
 30 on superannuation or early retirement; and, in optional
 31 retirement plans, further providing for options on
 32 superannuation or early retirement.

1 The General Assembly of the Commonwealth of Pennsylvania
2 hereby enacts as follows:

3 Section 1. The definitions of "beneficiary" and "survivor
4 annuitant" in section 102 of the act of February 1, 1974
5 (P.L.34, No.15), known as the Pennsylvania Municipal Retirement
6 Law, are amended to read:

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

8 * * *

9 "Beneficiary" means a person designated by a contributor or
10 an annuitant to receive benefits after the death of such
11 contributor or annuitant[.], provided the contributor is not
12 permitted to select a beneficiary other than his spouse, if
13 married, unless:

14 (1) (i) the spouse of the contributor consents in writing
15 to such election;

16 (ii) such election designates a beneficiary that cannot be
17 changed without spousal consent or the consent of such spouse
18 expressly permits designations by the contributor without a
19 requirement of further consent by the spouse; and

20 (iii) the spouse's consent acknowledges the effect of such
21 election and is witnessed by a member of the board or a notary
22 public; or

23 (2) it is established to the satisfaction of the board that
24 the consent required under paragraph (1) cannot be obtained
25 because there is no spouse or because the spouse cannot be
26 located.

27 Any consent by a spouse, or establishment that the consent of a
28 spouse cannot be obtained, under this definition shall be
29 effective only with respect to such spouse.

30 * * *

1 "Survivor annuitant" means any person who has been named by a
2 member under a joint and survivor annuity option to receive an
3 annuity upon the death of such member[.], provided that a member
4 is not permitted to select a survivor annuitant other than his
5 spouse, if married, unless:

6 (1) (i) the spouse of the member consents in writing to
7 such election;

8 (ii) such election designates a survivor annuitant that
9 cannot be changed without spousal consent or the consent of such
10 spouse expressly permits designations by the member without a
11 requirement of further consent by the spouse; and

12 (iii) the spouse's consent acknowledges the effect of such
13 election and is witnessed by a member of the board or a notary
14 public; or

15 (2) it is established to the satisfaction of the board that
16 the consent required under paragraph (1) cannot be obtained
17 because there is no spouse or because the spouse cannot be
18 located.

19 Any consent by a spouse or establishment that the consent of a
20 spouse cannot be obtained under this definition shall be
21 effective only with respect to such spouse.

22 * * *

23 Section 2. The act is amended by adding a section to read:

24 Section 209.1. Rights of Municipal Employees' Spouses.--(a)
25 A retirement system or retirement plan of a municipality shall
26 be required to provide that a designation by an employe, service
27 provider or retiree of a beneficiary or survivor to receive
28 payments under the retirement system or retirement plan shall
29 not be valid without the express written consent of the spouse
30 of such member if such person:

1 (1) is married at the time of his selection of a beneficiary
2 or survivor annuitant;

3 (2) is married at the time of his selection of a form of
4 benefit payment or distribution unless such spouse has
5 previously consented to an alternative designation; or

6 (3) becomes married following a selection of a beneficiary
7 or survivor annuitant but prior to becoming entitled to or
8 selecting a form of benefit payment or distribution.

9 Any consent of a spouse obtained under this subsection shall be
10 effective only with respect to such spouse.

11 (b) A retirement system or retirement plan of a municipality
12 shall be required to provide that retirement benefits, other
13 than benefits payable under a defined contribution or account
14 balance plan, shall be payable in the form of a joint and
15 survivor annuity, with at least a fifty per cent survivor
16 annuity to such member's surviving spouse, unless:

17 (1) (i) the spouse of the member consents in writing to
18 another form of benefit;

19 (ii) such election designates a beneficiary or form of
20 benefits that may not be changed without spousal consent or the
21 consent of such spouse expressly permits designations by the
22 member without a requirement of further consent by the spouse;
23 and

24 (iii) the spouse's consent acknowledges the effect of such
25 election and is witnessed by a member of the board or a notary
26 public; or

27 (2) it is established to the satisfaction of the plan or
28 system administrator that the consent required under paragraph
29 (1) may not be obtained because there is no spouse or because
30 the spouse cannot be located.

1 Any consent by a spouse or establishment that the consent of a
2 spouse may not be obtained shall be effective only with respect
3 to such spouse.

4 Section 3. Sections 211, 312 and 409 of the act are amended
5 by adding subsections to read:

6 Section 211. Options on Superannuation or Early
7 Retirement.--* * *

8 (c) Notwithstanding anything to the contrary in this act, a
9 member, including a contributor, who is married at the time of
10 his selection of a beneficiary or survivor annuitant, who is
11 married at the time of his selection of a form of benefit
12 payment or who becomes married following such selection of a
13 beneficiary or survivor annuitant but prior to becoming entitled
14 to or selecting a form of payment or distribution shall not be
15 permitted to select a beneficiary or survivor annuitant other
16 than his spouse, if married at the time, unless:

17 (1) (i) the spouse of the eligible member consents in
18 writing to such election;

19 (ii) such election designates a beneficiary, or form of
20 benefit, that may not be changed without spousal consent or the
21 consent of such spouse expressly permits designations by the
22 member without a requirement of further consent by the spouse;
23 and

24 (iii) the spouse's consent acknowledges the effect of such
25 election and is witnessed by a member of the board or a notary
26 public; or

27 (2) it is established to the satisfaction of the board that
28 the consent required under paragraph (1) may not be obtained
29 because there is no spouse or because the spouse cannot be
30 located.

1 Any consent by a spouse or establishment that the consent of a
2 spouse may not be obtained shall be effective only with respect
3 to such spouse.

4 Section 312. Options on Superannuation or Early
5 Retirement.--* * *

6 (c) Notwithstanding anything to the contrary in this act, a
7 member, including a contributor, who is married at the time of
8 his selection of a beneficiary or survivor annuitant, who is
9 married at the time of his selection of a form of benefit
10 payment or who becomes married following such selection of a
11 beneficiary or survivor annuitant but prior to becoming entitled
12 to or selecting a form of payment or distribution shall not be
13 permitted to select a beneficiary or survivor annuitant other
14 than his spouse, if married at the time, unless:

15 (1) (i) the spouse of the eligible member consents in
16 writing to such election;

17 (ii) such election designates a beneficiary, or form of
18 benefit that may not be changed without spousal consent or the
19 consent of such spouse expressly permits designations by the
20 member without a requirement of further consent by the spouse;
21 and

22 (iii) the spouse's consent acknowledges the effect of such
23 election and is witnessed by a member of the board or a notary
24 public; or

25 (2) it is established to the satisfaction of the board that
26 the consent required under paragraph (1) may not be obtained
27 because there is no spouse or because the spouse cannot be
28 located.

29 Any consent by a spouse or establishment that the consent of a
30 spouse may not be obtained shall be effective only with respect

1 to such spouse.

2 Section 409. Options on Superannuation or Early
3 Retirement.--* * *

4 (c) Notwithstanding anything to the contrary in this act, a
5 member, including a contributor, who is married at the time of
6 his selection of a beneficiary or survivor annuitant, who is
7 married at the time of his selection of a form of benefit
8 payment or who becomes married following such selection of a
9 beneficiary or survivor annuitant but prior to becoming entitled
10 to or selecting a form of payment or distribution shall not be
11 permitted to select a beneficiary or survivor annuitant other
12 than his spouse, if married at the time, unless:

13 (1) (i) the spouse of the eligible member consents in
14 writing to such election;

15 (ii) such election designates a beneficiary or form of
16 benefit that may not be changed without spousal consent or the
17 consent of such spouse expressly permits designations by the
18 member without a requirement of further consent by the spouse;

19 and

20 (iii) the spouse's consent acknowledges the effect of such
21 election and is witnessed by a member of the board or a notary
22 public; or

23 (2) it is established to the satisfaction of the board that
24 the consent required under paragraph (1) may not be obtained
25 because there is no spouse or because the spouse cannot be
26 located.

27 Any consent by a spouse or establishment that the consent of a
28 spouse may not be obtained shall be effective only with respect
29 to such spouse.

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