

## 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," in employees' retirement  
5 system, further defining "compensation"; further providing  
6 for retirement board; providing for tax qualification; and  
7 further providing for employees eligible for retirement  
8 allowances and for amount of retirement allowances.

9 The General Assembly of the Commonwealth of Pennsylvania  
10 hereby enacts as follows:

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

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

18 \* \* \*

19 "Compensation," [pickup] (1) Pickup contributions plus  
20 salary or wages received per day, weekly, bi-weekly, semi-

1 monthly, monthly, annually, or during an official term year.

2 (2) For employes hired on or after the effective date of  
3 this paragraph, the term shall not include overtime pay.

4 \* \* \*

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

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

24 Section 3. The act is amended by adding a section to read:

25 Section 1704.1. Tax Qualification.--The board may make such  
26 technical changes to the retirement plan as are necessary in  
27 order to qualify the retirement system and fund under section  
28 401(a) of the Internal Revenue Code of 1986 (Public Law 99-514,  
29 26 U.S.C. § 401(c)).

30 Section 4. Section 1710(a), (b) and (h) of the act, amended

1 January 27, 1998 (P.L.1, No.1) and June 18, 1998 (P.L.693,  
2 No.89), are amended to read:

3 Section 1710. Employees Eligible for Retirement Allowances.--

4 (a) (1) Every [present or future] county employe hired prior  
5 to the effective date of paragraph (2), who has reached the age  
6 of sixty years or upwards and who has to his or her credit a  
7 period of service of eight years, but less than twenty years  
8 shall, upon application to the board, be eligible for retirement  
9 from service, and shall thereafter receive, during life, except  
10 as hereinafter provided, a retirement allowance computed on a  
11 service period of twenty (20) years which shall equal one  
12 twentieth (1/20) of such amount as he or she may be eligible to  
13 receive in accordance with the provisions of subsection (a) of  
14 section 1712, for each year's service which such county employe  
15 may have to his or her credit during the aforesaid period of  
16 time. The time spent in the employ of the county or county  
17 institution district need not necessarily have been continuous.  
18 The aforesaid retirement allowance shall be subject to a  
19 suspension thereof in accordance with the provisions of  
20 subsection (h) of this section 1710 and subsection (c) of  
21 section 1712.

22 (2) Every county employe hired on or after the effective  
23 date of this paragraph who has reached the age of sixty years or  
24 upwards and who has to his or her credit a period of service of  
25 ten years, but less than twenty-five years shall, upon  
26 application to the board, be eligible for retirement from  
27 service, and shall thereafter receive, during life, except as  
28 hereinafter provided, a retirement allowance computed on a  
29 service period of twenty-five years which shall equal one  
30 twenty-fifth of such amount as he or she may be eligible to

1 receive in accordance with the provisions of subsection (a) of  
2 section 1712, for each year's service which such county employe  
3 may have to his or her credit during the aforesaid period of  
4 time. The time spent in the employ of the county or county  
5 institution district need not necessarily have been continuous.  
6 The aforesaid retirement allowance shall be subject to a  
7 suspension thereof in accordance with the provisions of  
8 subsection (h) of this section 1710 and subsection (c) of  
9 section 1712.

10 (b) (1) Every [present or future] county employe hired  
11 prior to the effective date of paragraph (2), other than a  
12 member of the police force or the fire department or a fire  
13 inspector or a sheriff or deputy sheriff, has reached the age of  
14 sixty years or upwards and who has to his or her credit a period  
15 of service of twenty years or more, and every county employe who  
16 is a member of the police force or the fire department or a fire  
17 inspector, and who shall have been a county employe during a  
18 period of twenty or more years and has reached the age of fifty  
19 years or upwards shall, upon application to the board, be  
20 eligible for retirement from service, and shall thereafter  
21 receive, during life, except as hereinafter provided, a  
22 retirement allowance plus a service increment if any, in  
23 accordance with the provisions of section 1712. Every county  
24 officer or employe who is a sheriff, deputy sheriff, prison  
25 guard or probation officer who shall have been a county officer  
26 or employe during a period of twenty or more years and has  
27 reached the age of fifty-five years or upward, shall, upon  
28 application to the board, be eligible for retirement from  
29 service and shall thereafter receive, during life, except as  
30 hereafter provided, a retirement allowance in accordance with

1 section 1712. The time spent in the employ of the county or  
2 county institution district need not necessarily have been  
3 continuous: Provided, That when any county employe has twenty or  
4 more years service, not necessarily continuous, and has not  
5 reached the age of sixty years or upwards, and shall be  
6 separated from the service of the county or county institution  
7 district by reason of no cause or act of his or her own, upon  
8 application to the board he or she shall thereafter receive,  
9 during life, except as hereinafter provided, a retirement  
10 allowance plus a service increment if any, in accordance with  
11 the provisions of section 1713. The aforesaid retirement  
12 allowance plus a service increment if any, shall be subject to a  
13 suspension thereof in accordance with the provisions of  
14 subsection (h) of this section 1710 and subsection (c) of  
15 section 1712.

16 (2) Every county employe hired on or after the effective  
17 date of this paragraph, other than a member of the police force  
18 or the fire department or a fire inspector or a sheriff or  
19 deputy sheriff, prison guard or probation officer, who has  
20 reached the age of sixty years or upwards and who has to his or  
21 her credit a period of service of twenty-five years or more, and  
22 every county employe who is a member of the police force or the  
23 fire department or a fire inspector, and who shall have been a  
24 county employe during a period of twenty-five or more years and  
25 has reached the age of fifty years or upwards shall, upon  
26 application to the board, be eligible for retirement from  
27 service, and shall thereafter receive, during life, except as  
28 hereinafter provided, a retirement allowance plus a service  
29 increment if any, in accordance with the provisions of section  
30 1712. Every county officer or employe who is a sheriff, deputy

1 sheriff, prison guard or probation officer who shall have been a  
2 county officer or employe during a period of twenty-five or more  
3 years and has reached the age of fifty-five years or upwards,  
4 shall, upon application to the board, be eligible for retirement  
5 from service and shall thereafter receive, during life, except  
6 as hereafter provided, a retirement allowance in accordance with  
7 section 1712. The time spent in the employ of the county or  
8 county institution district need not necessarily have been  
9 continuous: Provided, That when any county employe has twenty-  
10 five or more years service, not necessarily continuous, and has  
11 not reached the age of sixty years or upwards, and shall be  
12 separated from the service of the county or county institution  
13 district by reason of no cause or act of his or her own, upon  
14 application to the board he or she shall thereafter receive,  
15 during life, except as hereinafter provided, a retirement  
16 allowance plus a service increment if any, in accordance with  
17 the provisions of section 1713. The aforesaid retirement  
18 allowance plus a service increment if any, shall be subject to a  
19 suspension thereof in accordance with the provisions of  
20 subsection (h) of this section 1710 and subsection (c) of  
21 section 1712.

22 \* \* \*

23 (h) (1) Option I. Any [present or future] county employe  
24 hired prior to the effective date of paragraph (1.1) who has not  
25 reached sixty years of age, and who has to his or her credit a  
26 period of at least the minimum number of years of service  
27 specified in subsection [(a)] (a) (1) of this section but less  
28 than twenty years of service, shall upon application to the  
29 board be eligible to receive at age sixty years a retirement  
30 allowance computed on a service period of twenty years, which

1 shall equal one-twentieth of such amount as he or she may be  
2 eligible to receive in accordance with the provisions of  
3 subsection (a) of section 1712 for each year's service which  
4 such county employe may have to his or her credit during the  
5 aforesaid period of time. The time spent in the employ of the  
6 county or county institution district need not necessarily have  
7 been continuous.

8 (1.1) Option I-A. Any county employe hired on or after the  
9 effective date of this paragraph who has not reached sixty years  
10 of age, and who has to his or her credit a period of at least  
11 the minimum number of years of service specified in subsection  
12 (a) (2) of this section but less than twenty-five years of  
13 service, shall upon application to the board be eligible to  
14 receive at age sixty years a retirement allowance computed on a  
15 service period of twenty-five years, which shall equal one-  
16 twenty-fifth of such amount as he or she may be eligible to  
17 receive in accordance with the provisions of subsection (a) of  
18 section 1712 for each year's service which such county employe  
19 may have to his or her credit during the aforesaid period of  
20 time. The time spent in the employ of the county or county  
21 institution district need not necessarily have been continuous.

22 (2) Option II. Any [present or future] county employe hired  
23 prior to the effective date of paragraph (2.1) who has not  
24 reached sixty years of age, and who has to his or her credit a  
25 period of the minimum number of years of service specified in  
26 subsection [(a)] (a) (1) of this section but less than twenty  
27 years of service, shall upon application to the board be  
28 eligible to receive thereafter, a retirement computed on a  
29 service period of twenty years, which shall equal one-twentieth  
30 of such amount as he or she may be eligible to receive in

1 accordance with the provisions of subsection (a) of section 1712  
2 for each year's service which such county employe may have to  
3 his or her credit during the aforesaid period of time. Further,  
4 the above retirement allowance shall be subject to a reduction  
5 of one-half of one per centum for each month under the age of  
6 sixty years. In no event shall a retirement allowance be paid  
7 until the age of fifty-five years is attained. The time spent in  
8 the employ of the county or county institution district need not  
9 necessarily have been continuous. The aforesaid retirement  
10 allowance elected under Option I shall become null and void if  
11 said county or county institution district employe is reemployed  
12 prior to age sixty in accordance with the provisions of  
13 subsection (c) of section 1712.

14 (2.1) Option II-A. Any county employe hired on or after the  
15 effective date of this paragraph who has not reached sixty years  
16 of age, and who has to his or her credit a period of the minimum  
17 number of years of service specified in subsection (a)(2) of  
18 this section but less than twenty-five years of service, shall  
19 upon application to the board be eligible to receive thereafter,  
20 a retirement computed on a service period of twenty-five years,  
21 which shall equal one-twenty-fifth of such amount as he or she  
22 may be eligible to receive in accordance with the provisions of  
23 subsection (a) of section 1712 for each year's service which  
24 such county employe may have to his or her credit during the  
25 aforesaid period of time. Further, the above retirement  
26 allowance shall be subject to a reduction of one-half of one per  
27 centum for each month under the age of sixty years. In no event  
28 shall a retirement allowance be paid until the age of fifty-five  
29 years is attained. The time spent in the employ of the county or  
30 county institution district need not necessarily have been



1 continuous. The aforesaid retirement allowance elected under  
2 Option I-A shall become null and void if said county or county  
3 institution district employe is reemployed prior to age sixty in  
4 accordance with the provisions of subsection (c) of section  
5 1712.

6 \* \* \*

7 Section 5. Section 1712(a), (b.1), (e), (f) and (i) of the  
8 act, amended December 10, 1970 (P.L.919, No.291), June 1, 1973  
9 (P.L.37, No.19), February 9, 1984 (P.L.12, No.6), January 27,  
10 1998 (P.L.1, No.1) and October 30, 2000 (P.L.616, No.85), are  
11 amended to read:

12 Section 1712. Amount of Retirement Allowances.--(a) (1)  
13 [The] For employes hired prior to the effective date of  
14 paragraph (2), the retirement allowance paid under the  
15 provisions of this article shall equal fifty per centum of the  
16 amount which would constitute the average monthly compensation  
17 as received by the county employe during the highest twenty-four  
18 months of the last four (4) years of his employment or two years  
19 on a bi-weekly pay basis in which period of time the said county  
20 employe made monthly or bi-weekly contributions into the  
21 retirement fund prior to his or her retirement.

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

1       (3) Such average monthly compensation shall include the  
2 compensation which any county employe would have been entitled  
3 to and would have received except for deduction from  
4 compensation due to time spent in serving as an elected State  
5 official: Provided, That the county and the employe shall make  
6 monthly contributions based on the last compensation equal to  
7 the amount the county and he or she would have paid into the  
8 retirement fund had such compensation been paid by the county.  
9 In the event an employe, on the effective date of employment  
10 termination, shall have less than a full year of service for the  
11 purpose of computing the employe's service time, then the amount  
12 of the retirement allowance, which would have been computed had  
13 the employe completed a full twelve-month period for the year of  
14 the termination of employment, shall be prorated upon a full  
15 completed month basis for said last year of service. No  
16 retirement allowance shall be computed on a monthly compensation  
17 in excess of four thousand three hundred thirty-three dollars  
18 and thirty-three cents (\$4,333.33) (referred to in this  
19 subsection as "excess compensation") unless the employe and the  
20 county have made contributions on all excess compensation  
21 received by the employe during the five-year period preceding  
22 the employe's retirement: Provided, That the required  
23 contribution is paid into the retirement system within ninety  
24 (90) days of the date of retirement. An employe who retires  
25 within five (5) years of the effective date of the compensation  
26 cap removal may elect to satisfy the contribution requirement by  
27 making a lump sum contribution that is calculated by applying  
28 the applicable contribution percentage rate to all excess  
29 compensation received by the employe during the prior five-year  
30 period on which contributions were not made. Within ninety (90)

1 days of such contribution by an employe, contributions shall  
2 also be made by the county in an amount equal to the amount  
3 contributed by the employe. The effective date of the cap  
4 removal is December 31, 1999.

5 (4) After the effective date of this amendment, certain  
6 former county employes who are now receiving a retirement  
7 allowance shall receive an increase of a certain per centum of  
8 such retirement allowance, which sum shall be computed on the  
9 average monthly retirement allowance as heretofore authorized by  
10 the board.

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

15 (6) Any employe who earns in excess of ten thousand eight  
16 hundred dollars (\$10,800) per annum and shall retire during the  
17 period from January 1, 1973 to December 31, 1981 shall pay, as a  
18 condition to the payment of any benefits hereunder a lump sum  
19 contribution into the retirement fund, which contribution shall  
20 be computed as follows:

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

27 (ii) No person who is reemployed as a county employe shall  
28 be eligible to receive the benefit of a retirement allowance  
29 plus a service increment, if any, until he or she shall have  
30 made at least twenty-four monthly or fifty-two bi-weekly

1 contributions into the retirement fund subsequent to his or her  
2 reemployment. The foregoing provisions shall not have a  
3 retroactive application and shall apply only to present and  
4 future county employes. The rate required to be paid in  
5 accordance with this provision shall apply to present county  
6 employes notwithstanding the rate of contribution that the  
7 present county employe has made into the retirement fund.

8 (b.1) (1) In addition to the retirement allowance which is  
9 authorized by this article and notwithstanding the limitations  
10 therein placed upon retirement allowances, any [present or  
11 future] county employe hired prior to the effective date of  
12 paragraph (2) who upon retirement shall be eligible to receive  
13 payment of a retirement allowance and who has been employed as  
14 such for twenty or more years during which period of time he or  
15 she shall have made monthly contributions into the retirement  
16 fund, shall also be eligible to the payment in addition to a  
17 retirement allowance a service increment of two per centum per  
18 year computed upon the annual retirement allowance to which he  
19 or she is entitled. Said service increment shall be the sum  
20 obtained by computing the number of full years, and any portion  
21 of a year, in excess of twenty years during which period of time  
22 he or she shall have made monthly or bi-weekly contributions  
23 into the retirement fund. No service increment shall be paid for  
24 more than twenty (20) such excess service years. Effective as of  
25 January 1, 1989, in the event an employe, on the effective date  
26 of employment termination, shall have less than a full year of  
27 service for the purpose of computing the employe's service  
28 increment, then the amount of the service increment which would  
29 have been computed had the employe completed a full twelve-month  
30 period for the year of the termination of employment shall be

1 prorated upon a full completed month basis for said last year of  
2 service increment.

3 (2) In addition to the retirement allowance which is  
4 authorized by this article and notwithstanding the limitations  
5 therein placed upon retirement allowances, any county employe  
6 hired on or after the effective date of this paragraph who upon  
7 retirement shall be eligible to receive payment of a retirement  
8 allowance and who has been employed as such for twenty-five or  
9 more years during which period of time he or she shall have made  
10 monthly or bi-weekly contributions into the retirement fund,  
11 shall also be eligible to the payment in addition to a  
12 retirement allowance a service increment of two per centum per  
13 year computed upon the annual retirement allowance to which he  
14 or she is entitled. Said service increment shall be the sum  
15 obtained by computing the number of full years, and any portion  
16 of a year, in excess of twenty-five years during which period of  
17 time he or she shall have made monthly or bi-weekly  
18 contributions into the retirement fund. No service increment  
19 shall be paid for more than twenty (20) such excess service  
20 years. In the event an employe, on the effective date of  
21 employment termination, shall have less than a full year of  
22 service for the purpose of computing the employe's service  
23 increment, then the amount of the service increment which would  
24 have been computed had the employe completed a full twelve-month  
25 period for the year of the termination of employment shall be  
26 prorated upon a full completed month basis for said last year of  
27 service increment.

28 \* \* \*

29 (e) Any present or future married county employe covered  
30 under the provisions of this article may receive retirement

1 benefits in accordance with the provisions of this section to  
2 which such county employe may be entitled or he or she may elect  
3 at anytime before retirement, to receive in lieu thereof  
4 benefits under the option as hereinafter set forth.

5 The option shall consist of retirement benefits in accordance  
6 with the provisions of [subsections (a) and (b)] subsection (a)  
7 of this section but reduced at age fifty-five, or on  
8 commencement of retirement benefits if later, by ten per centum  
9 plus one per centum for each full year in excess of five years  
10 by which the spouse is younger than the married county employe,  
11 with a maximum reduction to seventy per centum of such  
12 retirement benefits, and minus one-half of one per centum for  
13 each year by which the spouse is older, with a maximum increase  
14 to ninety-five per centum of such retirement benefits. The  
15 reduced amount of such retirement benefits shall commence at the  
16 time of retirement, but not before age fifty-five, and shall be  
17 paid to the employe subject to the provisions of subsection (d)  
18 of this section.

19 (f) (1) The election by said county employe of the option  
20 as provided in subsection (e) of this section shall be final on  
21 attainment of age fifty or on later election prior to  
22 retirement, and no further election shall be permitted:  
23 Provided, That the election shall automatically be cancelled if  
24 the county employe shall either be divorced or if his or her  
25 spouse shall die, in each case before retirement benefits under  
26 the option shall commence. In the event the designated spouse  
27 shall predecease, or if a legal separation occurs, while on  
28 retirement, the reduced retirement option benefit shall be  
29 reinstated to the full amount had there been no option  
30 exercised. Said reinstated amount to commence immediately upon

1 the death of the spouse so designated or upon satisfactory proof  
2 of legal separation.

3 (2) All [present and future] employes hired prior to the  
4 effective date of paragraph (3) may elect to provide  
5 survivorship option benefits for a spouse in the following  
6 classifications if the following conditions are satisfied:

7 Class I. The deceased employe shall have attained the age of  
8 fifty years and had completed between the minimum number of  
9 years of service specified in subsection (a) of section 1710 and  
10 nineteen years of service and dies before reaching the age of  
11 fifty-five years. The reduced retirement option benefit to  
12 commence to the survivor at the time the deceased employe would  
13 have attained the age of fifty-five years. Said benefits to be  
14 paid in accordance with the provisions set forth under  
15 subsection (d), Option II, of section 1713.

16 Class II. All [present and future] employes hired prior to  
17 the effective date of paragraph (3), who after completion of  
18 twenty or more years of service and shall die before reaching  
19 the age of fifty years, his or her spouse shall be eligible to  
20 receive the reduced retirement option immediately, in accordance  
21 with the provisions set forth under subsection (d), Option II of  
22 section 1713.

23 (3) All employes hired on or after the effective date of  
24 this paragraph may elect to provide survivorship option benefits  
25 for a spouse in the following classifications if the following  
26 conditions are satisfied:

27 Class I-A. The deceased employe shall have attained the age  
28 of fifty years and had completed between the minimum number of  
29 years of service specified in subsection (a) of section 1710 and  
30 twenty-four years of service and dies before reaching the age of

1 fifty-five years. The reduced retirement option benefit to  
2 commence to the survivor at the time the deceased employe would  
3 have attained the age of fifty-five years. Said benefits to be  
4 paid in accordance with the provisions set forth under  
5 subsection (d), Option II, of section 1713.

6 Class II-A. All employes hired on or after the effective  
7 date of this paragraph, who after completion of twenty-five or  
8 more years of service and shall die before reaching the age of  
9 fifty years, his or her spouse shall be eligible to receive the  
10 reduced retirement option immediately, in accordance with the  
11 provisions set forth under subsection (d), Option II of section  
12 1713.

13 \* \* \*

14 (i) (1) Any county employe hired prior to the effective  
15 date of paragraph (2) retiring under disability retirement  
16 benefits shall qualify for survivorship option benefits if he or  
17 she shall have reached the age of fifty-five years and having  
18 twenty or more years of service credit will be eligible for same  
19 benefits had he retired under the normal retirement provided for  
20 in this act. Any county employe retiring under disability  
21 retirement and having [fifteen] twelve years but less than  
22 twenty years of service credit, upon reaching age fifty-five  
23 will be eligible for survivorship option benefits and his or her  
24 spouse shall receive the maximum amount of seventy-five dollars  
25 (\$75.00) per month upon his or her death under the option  
26 benefit clause as set forth under subsection (e) of this  
27 section.

28 (2) Any county employe hired on or after the effective date  
29 of this paragraph retiring under disability retirement benefits  
30 shall qualify for survivorship option benefits if he or she



1 shall have reached the age of fifty-five years and having  
2 twenty-five or more years of service credit will be eligible for  
3 same benefits had he retired under the normal retirement  
4 provided for in this act. Any county employe retiring under  
5 disability retirement and having twelve years but less than  
6 twenty-five years of service credit, upon reaching age fifty-  
7 five will be eligible for survivorship option benefits and his  
8 or her spouse shall receive the maximum amount of seventy-five  
9 dollars (\$75.00) per month upon his or her death under the  
10 option benefit clause as set forth under subsection (e) of this  
11 section.

12 Section 6. This act shall take effect in 60 days.