

PENNSYLVANIA SECOND CLASS COUNTY CODE

16 P.S. §§ 4701 - 4716

ARTICLE XVII. EMPLOYEES' RETIREMENT SYSTEM

§ 4701. Definitions

The following words and phrases as used in this article shall be construed to have the following meaning:

"Board," county employees' retirement board.

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

(2) For employees hired on or after the effective date of this paragraph,¹ the term shall not include overtime pay in an amount in excess of ten per centum of base pay.

"Contributions," pickup contributions and the amount paid into the retirement fund.

"County employe," any person employed by the county, including all elected or appointed county officers, and agricultural extension association, county institutions district, county prison, any county correctional institution, law library and county retirement board, employes whose compensation is paid out of county funds, and any person employed by an authority formed after January 1, 1998, or any such other second class county entity when approved by the board and the county commissioners and whose compensation is paid by an authority or such other entity, except employes employed by any board of trustees of a community college of which the county is a local sponsor pursuant to the act of August 24, 1963 (P.L. 1132, No. 484),² known as the "Community College Act of 1963," as amended, county institution district funds or county retirement system funds or any department created by the office of the county commissioners, and any person receiving compensation for accidental injuries in accordance with the provisions of The Pennsylvania Workmen's Compensation Act: Provided, That the injured county employe during the period of his or her disability shall pay each month a sum equal to the last monthly contribution paid into the retirement fund when said county employe was in employment and shall not include any participant in on-the-job training, work experience or public service employment whose employment with the county is funded in whole or in part by the Federal "Comprehensive Employment and Training Act," as amended, unless the retirement board has provided for the membership of such participants in accordance with the provisions of section 1710.1.³ It shall not include any time spent by a county employe on furlough or leave of absence without compensation, a person reemployed as a county employe subsequent to the thirty-first day of May, one thousand nine hundred fifty-three, in accordance with the provisions of subsection (c) of section 1712,⁴ except such county employes who may be in active military service in accordance with the provisions of subsection (d) of section 1710⁵ and former county employes whose monthly

¹ Paragraph (2) in the definition of "compensation" was added by 2013, Dec. 23, P.L. 1242, No. 125, § 1, effective in 60 days [Feb. 21, 2014].

² 24 P.S. § 5201 et seq.

³ 16 P.S. § 4710.1.

⁴ 16 P.S. § 4712(c).

⁵ 16 P.S. § 4710(d).

contributions are paid into the retirement fund in accordance with the provisions of section 1713.⁶ In all cases of doubt the board shall determine who is an employe within the meaning of this article.

"Early Retirement," reduced retirement benefits at age fifty-five with completion of the minimum number of years of service specified in subsection (a) of section 1710 depending upon the service requirements for normal retirement.

"Interest," a determined rate, payable upon refund of contributions, compounded annually.

"Monthly," calendar month.

"Per Annum," twelve calendar months.

"Pickup contributions," regular contributions which are made by the county on behalf of county employes for current service in accordance with subsection (a.1) of section 1708.⁷

"Reemployed," any former county employe who is reemployed as such, shall thereupon assume the status of a new or future county employe and may, if eligible, receive credit for previous service in accordance with the provisions of subsection (b) of section 1715.⁸ It shall not include any person reemployed subsequent to the thirty-first day of May, one thousand nine hundred fifty-three, in accordance with the provisions of subsection (c) of section 1712, nor any county employe who may be in active military service in accordance with the provisions of subsection (d) of section 1710.

"Retirement Allowance," the amount to which a county employe is eligible to receive upon retirement from active service not including the amount he or she is eligible to receive as a service increment.

"Retirement fund or system," fund or system created by this article.

"Service Increment," the amount a county employe is eligible to receive in addition to his or her retirement allowance by reason of his or her extra years of service.

"Survivor's Benefit Allowance," a portion of a retirement allowance, plus a service increment, if any, to be paid to a surviving spouse of a deceased county employe.

"Vested Interest," future county employes including persons who are reemployed as such, except as hereinafter provided, whose contributions as paid into the retirement fund have been retained therein, or have been refunded by the board, who have fulfilled all conditions required to qualify such county employes for a retirement allowance plus a service increment, if any. It shall

not include persons who are reemployed as county employes in accordance with the provisions of

⁶ 16 P.S. § 4713.

⁷ 16 P.S. § 4708(a.1).

⁸ 16 P.S. § 4715.

subsection (c) of section 1712.

"Year or service year," twelve calendar months including an official term year beginning the first Monday of January of a given year to the first Monday of January of the year following or twenty-six pay periods if payment is made bi-weekly.

§ 4702. Retirement system and fund to be established

The county shall provide a county employees' retirement system for county employees and shall establish and regulate a retirement fund in connection therewith.

§ 4703. Retirement board

The retirement system shall be under the sole direction of a board, which shall consist of the county chief executive; one member, who shall be a member of the retirement system, appointed by the chief executive with the consent of county council; one member, who shall be a member of the retirement system, appointed by county council; the controller; the treasurer; and two persons elected by ballot from among the members of the retirement system. The terms of such members shall be four years. Ballots shall be mailed to each member of the retirement system at least twenty (20) days prior to the date of the election. A vacancy occurring during the term of any member of the board shall be filled for the unexpired term by the appointment or election of a successor in the same manner as his predecessor. A majority of the members of the board shall constitute a quorum for the transaction of any business.

§ 4704. Treasurer and secretary of board; power of board to employ persons

The county treasurer shall be the treasurer of the board, and shall give such bond for the proper performance of his duties as is required by the board. The premium on said bond shall be paid from the retirement fund on warrants of the board. The controller and the treasurer each shall receive for their service the sum of five hundred dollars (\$500) per annum from the retirement fund, payable on warrants of the board. The controller shall be the secretary of the board.

The board shall have power and authority to pay all necessary expenses in the administration of the retirement system, employ one solicitor and necessary assistants, who shall receive such compensation as the board shall fix, which shall be paid from the retirement fund on warrants of the board.

The board may authorize one or more of its assistants to administer to all persons oaths and affirmations pertaining to the business of the retirement system.

§ 1704.1. Tax Qualification

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

§ 4705. Register of employes; rules and regulations of board

The board shall keep a register of all county employes containing the names, ages, residence, nature of employment, time of entering employ, and such other information as the board deems necessary in the performance of its duties. The board may adopt, amend, revise and abolish such rules and regulations as it deems necessary, not inconsistent with this act.⁹

§ 4706. Investment or deposit of fund; standard of care and liability of board members

(a) The board shall be the trustees of the retirement fund, and shall have exclusive control and management of the said fund with full power to invest the money or any part thereof, subject to the terms, conditions, limitations and restrictions that are provided by law for investments of trust funds by fiduciaries or the retention or sale of certain investments in the hands of fiduciaries. Subject to like terms, conditions, limitations and restrictions, the board shall have power to hold, purchase, sell, assign, transfer or dispose of any of the securities and investments in the retirement fund, as well as the proceeds of said investments and of the money belonging to said fund, or it may deposit such moneys or any part thereof in one or more banks or banking institutions selected by the board. The board shall decide upon the number of banks and banking institutions of the county as depositories of retirement funds and the rate of interest to be paid by them to the board. A contract with a depository shall be for a period covering the term of the county treasurer. No moneys shall be deposited in a depository until it shall furnish to the board collateral to secure payments of deposits and interest to the board, by depositing in escrow securities to be approved by the board. Such securities to be of the kind and in the amount to be fixed by the board.

(b) A board member shall perform his duties as a director, including his duties as a member of any committee of the board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the retirement system and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his duties, a board member shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements, investment data and such other financial or investment data made available to him by the board's investment counselors or managers and the board's monitor, in each case prepared or presented by any of the following:

(1) One or more officers or employes of the board whom the director reasonably believes to be reliable and competent in the matters presented.

(2) Counsel, actuaries, investment managers or consultants, the investment monitor, the

⁹ 16 P.S. §§ 3101 to 6302.

board's agent or other persons as to matters which the director reasonably believes to be within the professional or expert competence of such persons.

(3) A committee of the board upon which he does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

(c) A director shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause his reliance to be unwarranted.

(d) In discharging the duties of their respective positions, the board, committees of the board and individual members of the board may, in determining the effects of any action upon the employes of the board, the active employes of the county retirement system and of the retirees of the county retirement system who are receiving benefits, consider all other pertinent factors, which shall include, but not be limited to, the actions or activities of the duly appointed monitor, investment counselors or managers, the actuary and the custodial agent. Consideration of factors contained in this subsection shall not constitute a violation of subsection (b).

(e) Absent breach of a fiduciary duty, lack of good faith or self-dealing, actions taken as a member of the board by any member of the board, or any failure to take any action, shall be presumed to be in the best interest of the retirement system.

(f) Whenever the provisions of this act require the members of the board to undertake any action by a vote of the board, a member of the board shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action, unless:

(1) the board member has breached or failed to perform the duties of his position under subsections (b), (c), (d) and (e); and

(2) the breach or failure to perform constitutes self-dealing, wilful misconduct or recklessness.

(g) The provisions of subsections (b), (c), (d), (e) and (f) shall not apply in any case involving responsibility or liability of a board member under any criminal statute.

§ 4707. Heads of departments, offices and agencies to certify list of employes

The head of every department, office or agency shall promptly certify to the board the names of all county employes of such department, office or agency, residence, age, nature of employment, time of entering employ, and the amount of compensation received by each, together with dismissals, resignations or terminations of service; also, furnish such other relevant information as the board may require. The head of every department, office or agency shall, in accordance with the provisions of section 1708,¹⁰ cause to be deducted each month from the payroll

¹⁰ 16 P.S. § 4708.

of such department, office or agency the necessary contribution to be paid by each county employe who is a member of the retirement system.

§ 4708. Compulsory membership; payments into fund; exceptions; vested interest

(a) Each county employe shall be required to become a member of the county employes' retirement system within six months from the date of his or her employment. The said county employe may elect to become a member of the retirement system at any time during the aforesaid six months period of time by notifying the head of the department, office or agency in which department, office or agency he or she is employed of the said election. A copy thereof shall be filed immediately with the board. He or she shall, each month, pay into the retirement fund a monthly contribution, being a certain percentage of the amount received by him or her as compensation during the preceding calendar month. Except as provided in subsection (d), the monthly contribution shall be the percentage of his or her compensation as heretofore stated, on a graduated scale as follows:

For the year 1988 and thereafter, six and one-quarter per centum up to seven hundred fifty dollars (\$750) per month.

Nine and three-eighths per centum from seven hundred fifty dollars (\$750) to fifteen hundred dollars (\$1500) per month.

Twelve and one-half per centum from fifteen hundred dollars (\$1500) per month and above.

Except as hereinafter provided, the aforesaid increase rate of monthly contributions to be paid into the retirement fund to enhance the actuarial soundness of said fund, shall be applicable to all county employes who are members of the retirement system. Such monthly contributions shall be collected by the county treasurer and by him paid into the retirement fund. The payment of the increased rate of the aforesaid monthly contributions shall not apply to such former county employes whose monthly contributions are now paid into said fund in accordance with the provisions of subsection (d) of section 1713.¹¹ Any county employe receiving compensation for accidental injuries in accordance with the provisions of The Pennsylvania Workmen's Compensation Act¹² shall during the period of time in which such county employe is receiving disability benefits, as provided in the aforesaid act, pay each month for retirement benefits a sum equal to the last monthly contribution as paid into the retirement fund when said county employe was in employment. The monthly contribution shall not be paid by any person who was receiving a retirement allowance and is subsequent to the thirty-first day of May, one thousand nine hundred fifty-three, reemployed as a county employe or any other person who is ineligible to become a member of the retirement system.

(a.1) The county may elect to contribute on behalf of each active member for current service the amount required by subsection (a) beginning the first Monday of January of the year in which the resolution to do so was adopted by the commissioners. Contributions made in

¹¹ Section 4713 of this title.

¹² 77 P.S. § 1 et seq.

accordance with this subsection shall be deemed pickup contributions and shall be treated as the county's contribution in determining tax treatment under the act of August 16, 1954, 68A Stat. 5, known as the Internal Revenue Code of 1954,¹³ for Federal tax purposes. For all other purposes pickup contributions shall be made and treated as contributions made by a member in the same manner and to the same extent as contributions made prior to the implementation of this subsection. The county on or before January 31 of each year shall, at the time when the income and withholding information required by law is furnished to each county employe, also furnish the amount of the pickup contribution made on the employe's behalf. Upon the effective date of the implementation of this subsection, the county shall pick up the required contributions by an equal reduction in the compensation of the member.

(b) All present and future county employes except such persons who are reemployed as such subsequent to the thirty-first day of May, one thousand nine hundred fifty-three, in accordance with the provisions of subsection (c) of section 1712,¹⁴ shall upon retirement be entitled to receive the benefits of such change in the service period increased maximum retirement allowance and service increment if any as well as such other benefits as may apply to his or her status upon retirement in accordance with the provisions of this article.

(c) No future county employe including persons who are reemployed as such, except as hereinafter provided, whose contributions as paid into the retirement fund have been retained therein or have been refunded by the board, shall have a contractual or vested interest in the retirement system prior to the time he or she shall have fulfilled all conditions required to qualify such county employe for a retirement allowance plus a service increment if any. It shall not include persons who are reemployed as county employes in accordance with the provisions of subsection (c) of section 1712.

(d) To aid and assist the board in maintaining the actuarial soundness of the retirement fund, the board shall cause to be performed an annual actuarial valuation of the retirement system. Notwithstanding the provisions of subsection (a), the board, guided by the annual actuarial valuation of the retirement system, shall have the authority, each year, to increase or decrease the said monthly contribution required to be made by each county employe into the retirement fund.

(e) (1) The board, based solely upon the annual actuarial valuation of the retirement system and the actuarial indicator described in clause (2), shall each year increase the monthly retirement allowance which is required to be paid to all employes who have been, for at least one year, prior to the preceding annual actuarial study, eligible to receive a retirement allowance.

(2) The actuarial indicator to be used for purposes of clause (1) shall be known as the Total Funded Status Ratio (TFSR) and shall be determined by the system's actuary. TFSR equals the sum of the fair market value of assets available for plan benefits as of the valuation date plus the actuarial present value of total projected future contributions computed as a percentage of the sum of the actuarial present value of total projected future benefits and the actuarial present value of future expenses. The actuary shall determine the TFSR using an interest rate equal to the arithmetic average of the

¹³ 26 U.S.C.A. § 1 et seq.

¹⁴ 16 P.S. § 4712.

rate used in the current actuarial valuation and the rates used for the preceding four annual actuarial valuations. The level of the TFSR shall determine the range in which the retirement allowance increase may fall. The board shall implement retirement allowance increases within the permitted range determined from the following table:

TFSR	Percentage increase
Under one hundred ten per centum	Zero per centum minimum, or more at the discretion of the board
One hundred ten per centum and above	Two per centum minimum, ore more at the discretion of the board, provided, however, that the two per centum minimum increase does not result in a TFSR less than one hundred ten percentage shall be reduced so as to maintain a one hundred ten per centum TFSR increase.

The per centum increase determined shall be applied to the average monthly retirement allowance in pay status during the month of December immediately preceding the current actuarial valuation, producing a monthly dollar equivalent for the retirement allowance increase. The dollar amount so determined shall be rounded down to the next lower dollar, and such rounded amount shall be added to the retirement allowance of those eligible for the increase effective for the month of January next following.

§ 4709. Appropriation and payment to retirement fund

At their annual budget session, the county commissioners shall make such an appropriation as will enable them to pay, and there shall be paid out of county taxes and county institution district taxes, a sum of money, each month, which shall be equal to the amount paid into the retirement fund by the county employes, less any sum of money required to be paid by an authority or any such other second class county entity, during the preceding month or bi-weekly pay periods in accordance with the provisions of section 1708:¹⁵ Provided, That an authority or any such other second class county entity operating in the county shall make such an appropriation as will enable either of them to separately pay, and there shall be paid out of each of their respective funds, a sum of money, each month, which shall be equal to the amount paid into the retirement fund by those employes who are employed by an authority and any such other second class county entity during the preceding monthly or bi-weekly pay periods in accordance with the provisions of section 1708.

The county commissioners shall appropriate such amounts as are certified by the State Employes' Retirement Board as necessary to establish reserves for the benefit of any former member of the county employes' retirement system, whose employment with the county was terminated because of the incorporation into the State highway system of all or any county highways, or sections thereof, bridges, tunnels, viaducts, or sections thereto, in counties of the

¹⁵ 16 P.S. § 4708.

second class, and who became a member of the State Employees' Retirement System and who elected to receive credit in the State Employees' Retirement System for service as a member of the county employees' retirement system. Such appropriations shall be made at the annual budget session next succeeding the year in which certification is received from the State Employees' Retirement System and payment to the State Employees' Retirement Fund shall be made within ninety (90) days of the adoption of the budget.

It shall be the duty of the county commissioners to appropriate annually sufficient funds, necessary to guarantee payment of all administrative costs, benefit commitments and legal obligations of the Employees' Retirement Board.

§ 4710. Employees eligible for retirement allowances

(a)(1) Every county employe hired prior to the effective date of paragraph (2)¹⁶ who has reached the age of sixty years or upwards and who has to his or her credit a period of service of eight years, but less than twenty years, shall, upon application to the board, be eligible for retirement from service, and shall thereafter receive, during life, except as hereinafter provided, a retirement allowance computed on a service period of twenty (20) years which shall equal one twentieth (1/20) of such amount as he or she may be eligible to receive in accordance with the provisions of subsection (a) of section 1712,¹⁷ for each year's service which such county employe may have to his or her credit during the aforesaid period of time. The time spent in the employ of the county or county institution district need not necessarily have been continuous. The aforesaid retirement allowance shall be subject to a suspension thereof in accordance with the provisions of subsection (h) of this section 1710¹⁸ and subsection (c) of section 1712.

(2) Every county employe hired on or after the effective date of this paragraph who has reached the age of sixty years or upwards and who has to his or her credit a period of service of ten years, but less than twenty-five years, shall, upon application to the board, be eligible for retirement from service, and shall thereafter receive, during life, except as hereinafter provided, a retirement allowance computed on a service period of twenty-five years which shall equal one twenty-fifth of such amount as he or she may be eligible to receive in accordance with the provisions of subsection (a) of section 1712, for each year's service which such county employe may have to his or her credit during the aforesaid period of time. The time spent in the employ of the county or county institution district need not necessarily have been continuous. The aforesaid retirement allowance

¹⁶ Subsec. (a)(2) added by 2013, P.L. 1242, No. 125, § 4, effective in 60 days [Feb. 21, 2014].

¹⁷ 16 P.S. § 4712.

¹⁸ 16 P.S. § 4710.

shall be subject to a suspension thereof in accordance with the provisions of subsection (h) of this section 1710 and subsection (c) of section 1712.

(b)(1) Every county employe hired prior to the effective date of paragraph (2),¹⁹ other than a member of the police force or the fire department or a fire inspector or a sheriff or deputy sheriff, who has reached the age of sixty years or upwards and who has to his or her credit a period of service of twenty years or more, and every county employe who is a member of the police force or the fire department or a fire inspector, and who shall have been a county employe during a period of twenty or more years and has reached the age of fifty years or upwards shall, upon application to the board, be eligible for retirement from service, and shall thereafter receive, during life, except as hereinafter provided, a retirement allowance plus a service increment if any, in accordance with the provisions of section 1712. Every county officer or employe who is a sheriff, deputy sheriff, prison guard or probation officer who shall have been a county officer or employe during a period of twenty or more years and has reached the age of fifty-five years or upward, shall, upon application to the board, be eligible for retirement from service and shall thereafter receive, during life, except as hereinafter provided, a retirement allowance in accordance with section 1712. The time spent in the employ of the county or county institution district need not necessarily have been continuous: Provided, That when any county employe has twenty or more years service, not necessarily continuous, and has not reached the age of sixty years or upwards, and shall be separated from the service of the county or county institution district by reason of no cause or act of his or her own, upon application to the board he or she shall thereafter receive, during life, except as hereinafter provided, a retirement allowance plus a service increment if any, in accordance with the provisions of section 1713.²⁰ The aforesaid retirement allowance plus a service increment if any, shall be subject to a suspension thereof in accordance with the provisions of subsection (h) of this section 1710 and subsection (c) of section 1712.

(2) Every county employe hired on or after the effective date of this paragraph, other than a member of the police force or the fire department or a fire inspector or a sheriff or deputy sheriff, prison guard or probation officer, who has reached the age of sixty years or upwards and who has to his or her credit a period of service of twenty-five years or more, and every county employe who is a member of the police force or the fire department or a fire inspector, and who shall have been a county employe during a period of twenty-five or more years and has reached the age of fifty years or upwards shall, upon application to the board, be eligible for retirement from service, and shall thereafter receive, during life, except as hereinafter provided, a retirement allowance plus a service increment if any, in accordance with the provisions of section 1712. Every county officer or employe who is a sheriff, deputy sheriff, prison guard or probation officer who shall have been a county officer or employe during a period of twenty-five or more years and has reached the age of fifty-five years or upwards shall, upon application to the board, be eligible for retirement from service and shall thereafter receive, during life, except as hereinafter provided, a retirement allowance in accordance with section 1712. The time spent in the employ of the county or county institution district need not necessarily have been continuous: Provided, That when any county employe has twenty-five or more years service, not necessarily continuous, and has not reached the age of sixty years or upwards, and shall be separated from the service of the county or

¹⁹ Subsec. (b)(2) added by 2013, P.L. 1242, No. 125, § 4, effective in 60 days [Feb. 21, 2014].

²⁰ 16 P.S. § 4713.

county institution district by reason of no cause or act of his or her own, upon application to the board, he or she shall thereafter receive, during life, except as hereinafter provided, a retirement allowance plus a service increment, if any, in accordance with the provisions of section 1713. The aforesaid retirement allowance plus a service increment if any, shall be subject to a suspension thereof in accordance with the provisions of subsection (h) of this section 1710 and subsection (c) of section 1712.

(c) A person who became a county employe through the consolidation of a city institution district with a county institution district may have the period of his or her city employment credited as a county employe for all purposes under this article: Provided, That said person, between the twenty-second day of May, one thousand nine hundred forty-five, and the twenty-second day of May, one thousand nine hundred forty-six, shall have paid into the retirement fund the amount which he or she would have been required to pay into the said fund if such person had been a county employe from the date of his or her original employment with the city: And further provided, That the city by which the said person was formerly employed shall have paid into the retirement fund an amount equal to that paid into the said fund by the said person in accordance with the provisions of this article. Any present county institution district employe who, prior to the twenty-second day of May, one thousand nine hundred forty-five, was a city institution district employe and who did not make payments for previous service credit as a county employe between the aforesaid period of time as herein provided, may, prior to the first day of April, one thousand nine hundred fifty-six, make application to the board and, upon approval thereof, shall pay into the retirement fund a sum equal to twice the payment which such person would have been required to pay into the said fund had such person been a county employe from the date of his or her original employment with the city. In addition thereto, interest at the legal rate shall be paid from the date when such monthly payment would have been made. Both principal and interest shall be paid into the retirement fund at one time and in one amount or, upon approval of the board, both principal and interest shall be consolidated into one amount and paid in twelve or less equal monthly installments, plus interest payment on monthly balances. Full payment thereof shall be a condition precedent to the county employe being eligible to receive the benefits of the retirement allowances.

No person shall be eligible to receive the benefits for prior service under this subsection, who is a member of a retirement or pension system of any city of the second class.

If such county employe leaves the employ of the county institution district before he or she shall be eligible to receive the benefit of the retirement allowances, a refund of his or her contributions as paid into the retirement fund shall be made in accordance with the provisions of section 1714.²¹

(d) Any county employe who on and after the sixteenth day of September, one thousand nine hundred forty, has been employed by the county or county institution district for a period of six or more months, and who, on or subsequent to such date, shall have enlisted or been inducted into military service of the United States in time of war or national emergency, so proclaimed by the President or the Congress of the United States, or any police action in which the United States is engaged, or shall serve in the military service of the United States during any armed conflict, shall

²¹ 16 P.S. § 4714.

have credited to his employment record, for retirement benefits, all of the time spent by him in such military service during the continuance of such war, armed conflict, national emergency or police action, if such person returns or has heretofore returned to his employment within one year after his separation from military service and such payments as are required to be made by such county employe into the county employes' retirement fund shall be paid into such fund by the county or county institution district, upon application by such county employe for retirement benefits. Any county employe who has been in military service and returned to the employ of the county or county institution district shall, within one year after the effective date of this article, file with the board a record of the time spent by him in such military service. Any county employe who has been in military service prior to the effective date of this article and has made payments into the county employes' retirement fund to secure for his employment record credit for his military service shall be reimbursed to the full extent of such payments by the board.

(e) Any person who became a county employe through the consolidation of a Department of Health of a city of the second class with a Department of Health of a county of the second class may have the period of his or her city employment credited as a county employe for all purposes under this article, including any credit for United States military service for which such person of said city has been given credit for retirement benefits. Such person shall, within three years from the effective date of the consolidation, make application to the board and, upon approval thereof, pay into the retirement fund the contributions which such person would have been required to pay into the fund had such person been a county employe from the date of his or her original employment in the city. The gross sum shall be paid into the retirement fund at one time and in one amount or, upon approval of the board, the gross sum shall be paid in twelve or less equal consecutive monthly installments. Full payment thereof, as well as the gross sum to be paid by the city as herein provided, shall be a condition precedent to the county employe being eligible to receive the benefits of the retirement allowances. The city by which such person was formerly employed shall pay into the retirement fund an amount equal to the gross sum as paid into the said fund by the former city employe in accordance with the provisions of this article. Included in said gross sum to be paid by such city, shall be an amount in payment for said employes' United States military service credit, if any, for retirement benefits, which amount shall be based on the contribution which such employe would have been required to pay into the retirement fund had he or she been a county employe during such period. The city is herewith authorized and empowered to make an appropriation out of the funds of the city to pay into the retirement fund the necessary amounts as herein provided.

If such county employe leaves the employ of the county before he or she shall be eligible to receive the benefits of the retirement allowances, a refund of his or her contributions as paid into the retirement fund, less the amount as paid by said city for United States military service credit, if any, for retirement benefits, shall be made in accordance with the provisions of section one thousand seven hundred fourteen.

(f) Any person who is an employe of any city of the third class, borough or township, and who is a member of a retirement or pension system established by such city of the third class, borough or township, who shall heretofore or hereafter be employed by a department of health of a county of the second class, may have the period of his or her employment in any of the aforesaid municipalities credited as a county employe for all purposes under this article, including any credit

for United States military service for which such person of said municipalities has been given credit for retirement benefits. Such person shall, within three years from the date of his or her employment in the county department of health, make application to the board and, upon approval thereof, pay into the retirement fund the contributions which such person would have been required to pay into the fund had such person been a county employe from the date of his or her original employment in any of the aforesaid municipalities. The gross sum shall be paid into the retirement fund at one time and in one amount or, upon approval of the board, the gross sum shall be paid in twelve or less equal consecutive monthly installments. Full payment thereof as well as the gross sum to be paid by any city of the third class, borough or township or the retirement or pension board of such municipalities shall be a condition precedent to the county employe being eligible to receive the benefits of the retirement allowances. Any city of the third class, borough or township by which such person was formerly employed shall pay into the retirement fund an amount equal to the gross sum as paid into the fund by such former employe of any of the aforesaid municipalities in accordance with the provisions of this article. Included in said gross sum to be paid by such municipalities, shall be an amount in payment for such employes' United States military service credit, if any, for retirement benefits, which amount shall be based on the contribution which such employe would have been required to pay into the retirement fund had he or she been a county employe during such period.

Any city of the third class, borough or township is herewith authorized and empowered to make an appropriation out of the funds of such city of the third class, borough or township to pay into the retirement fund the necessary amounts as herein provided, or any of the aforesaid municipalities which have an established retirement or pension system, the retirement or pension board thereof shall certify to the county board, upon request, the period of service as set forth in the records of such municipal retirement or pension board, the period of service for which credit has been allowed such former municipal employe, and to transfer to the county retirement fund a sum equal to all contingent and annuity reserves and accumulated deductions as recorded to the credit of its former employe in its retirement or pension system as determined by the retirement or pension board of such municipality, for the purpose of establishing credit in the County Employes' Retirement System under which he or she may receive credit in said system as a county employe for services previously credited to him or her in the aforesaid municipal retirement or pension system. Upon receipt of the aforesaid request, the retirement or pension board of such municipalities shall make such certification and transfer of funds to the County Employes' Retirement System as herein provided.

If such county employe leaves the employ of the county before he or she shall be eligible to receive the benefits of the retirement allowances, a refund of his or her contributions as paid into the retirement fund less the amount as paid by such municipalities for United States military service credit, if any, for retirement benefits, shall be made in accordance with the provisions of section one thousand seven hundred fourteen.

(g) Any person who is an employe of the Department of Health of this Commonwealth and a member of the State Employes' Retirement Association, as provided by the act of June 27,

1923 (P.L. 858), its amendments and supplements,²² who has heretofore or shall hereafter be employed by a Department of Health of a county of the second class, may have the period of his or her former State employment credited as a county employe for all purposes under this article as hereinafter set forth.

Such person shall, upon employment in the county Department of Health, make application to the board within three years from the effective date of this amendment and, upon approval of said application, pay into the retirement fund the contributions which such person would have been required to pay into the fund had such person been a county employe from the date of his or her former employment in the Commonwealth as set forth in the records of the State Employees' Retirement Board.

The county board shall request the State Employees' Retirement Board to certify to it the period of service for which credit has been allowed, and to transfer to the county retirement fund a sum equal to all contingent and State annuity reserves and accumulated deductions as recorded to the credit of such former employe in the State Employees' Retirement Fund as determined by the State Employees' Retirement Board, for the purpose of establishing credit in the County Employees' Retirement System under which he or she may receive credit in said system as a county employe for services previously credited to him or her in the State Employees' Retirement Association. Upon receipt of the aforesaid request, the State Employees' Retirement Board shall make such certification and transfer of funds to the County Employees' Retirement System as herein provided.

If such county employe leaves the employ of the county before he or she shall be eligible to receive the benefits of the retirement allowances, a refund of his or her contributions as paid into the retirement fund shall be made in accordance with the provisions of section 1714.

(h)(1) Option I. Any county employe hired prior to the effective date of paragraph (1.1)²³ who has not reached sixty years of age, and who has to his or her credit a period of at least the minimum number of years of service specified in subsection (a)(1) of this section but less than twenty years of service, shall upon application to the board be eligible to receive at age sixty years a retirement allowance computed on a service period of twenty years, which shall equal one-twentieth of such amount as he or she may be eligible to receive in accordance with the provisions of subsection (a) of section 1712 for each year's service which such county employe may have to his or her credit during the aforesaid period of time. The time spent in the employ of the county or county institution district need not necessarily have been continuous.

(1.1) Option I-A. Any county employe hired on or after the effective date of this paragraph who has not reached sixty years of age, and who has to his or her credit a period of at least the minimum number of years of service specified in subsection (a)(2) of this section but less than twenty-five years of service, shall upon application to the board be eligible to receive at age sixty years a retirement allowance computed on a service period of twenty-five years, which shall equal one twenty-fifth of such amount as he or she may be eligible to receive in accordance

²² 71 P.S. § 1731 et seq.

²³ Subsec. (h)(1.1) added by 2013, Dec. 23, P.L. 1242, No. 125, § 4, effective in 60 days [Feb. 21, 2014].

with the provisions of subsection (a) of section 1712 for each year's service which such county employe may have to his or her credit during the aforesaid period of time. The time spent in the employ of the county or county institution district need not necessarily have been continuous.

(2) Option II. Any county employe hired prior to the effective date of paragraph (2.1)²⁴ who has not reached sixty years of age, and who has to his or her credit a period of the minimum number of years of service specified in subsection (a) of this section but less than twenty years of service, shall upon application to the board be eligible to receive thereafter, a retirement computed on a service period of twenty years, which shall equal one-twentieth of such amount as he or she may be eligible to receive in accordance with the provisions of subsection (a) of section 1712 for each year's service which such county employe may have to his or her credit during the aforesaid period of time. Further, the above retirement allowance shall be subject to a reduction of one-half of one per centum for each month under the age of sixty years. In no event shall a retirement allowance be paid until the age of fifty-five years is attained. The time spent in the employ of the county or county institution district need not necessarily have been continuous. The aforesaid retirement allowance elected under Option I shall become null and void if said county or county institution district employe is reemployed prior to age sixty in accordance with the provisions of subsection (c) of section 1712.

(2.1) Option II-A. Any county employe hired on or after the effective date of this paragraph who has not reached sixty years of age, and who has to his or her credit a period of the minimum number of years of service specified in subsection (a)(2) of this section but less than twenty-five years of service, shall upon application to the board be eligible to receive thereafter, a retirement computed on a service period of twenty-five years, which shall equal one twenty-fifth of such amounts he or she may be eligible to receive in accordance with the provisions of subsection (a) of section 1712 for each year's service which such county employe may have to his or her credit during the aforesaid period of time. Further, the above retirement allowance shall be subject to a reduction of one-half of one per centum for each month under the age of sixty years. In no event shall a retirement allowance be paid until the age of fifty-five years is attained. The time spent in the employ of the county or county institution district need not necessarily have been continuous. The aforesaid retirement allowance elected under Option I-A shall become null and void if said county or county institution district employe is reemployed prior to age sixty in accordance with the provisions of subsection (c) of section 1712.

(i) Upon application to the board, all members of the fund who are contributors and who served in the Armed Forces of the United States subsequent to September 1, 1940, or who become members of the retirement fund on or after the effective date of this act shall be entitled to have full military service credit for each of the most recent years of military service or fraction thereof, not to exceed three full years of such service; provided, they have a retirement credit of the minimum number of years specified in subsection (a) of this section or more. The formula to be followed for payment to the fund shall be in an amount equal to the maximum rate of contribution had they been members of the fund plus an additional amount as the equivalent of the county matching appropriation, plus interest, if applicable, at the rate of six per centum per year from the

²⁴ Subsec. (h) (2.1) added by 2013, Dec. 23, P.L. 1242, No. 125, § 4, effective in 60 days [Feb. 21, 2014].

date of each year of credited military service to date of repayment or by applying the employe's basic contribution rate plus the county's normal contribution rate for active members at the time of entry, subsequent to such military service, of the employe into county service to his average annual rate of compensation over the first three years of such subsequent county service and multiplying the result by the number of years and fractional part of a year of creditable nonintervening military service being purchased, together with interest, if applicable, during all periods of subsequent county service to date of purchase. Should it be determined by the retirement board that verifiable compensation data is not available it shall have the discretion to determine which formula shall be used: Provided, That said member is not entitled to receive, eligible to receive now or in the future, or is receiving retirement benefits for such service under a retirement system administered and wholly or partially paid for by any other governmental agency or private industry. Both principal and interest, if applicable, shall be consolidated into one amount and paid. Full payment thereof shall be a condition precedent to receive the benefits of the retirement allowance. If the member pays the entire principal back within the three-year period immediately following attainment of the minimum number of years of service credit specified in subsection (a) of this section or within three years from the date this amendatory act takes effect for those who already have the minimum numbers of years of service credit specified in subsection (a) of this section, no interest will be charged. Otherwise, interest will be charged at the rate of six per centum per year from the date of each year of credited military service to date of repayment. Only those employes who are active members of the retirement fund on or after the effective date of this amendatory act shall be permitted to avail themselves of either of these programs.

(j)(1) Any person who was employed by an authority created by the county on or after June 10, 1968, pursuant to the act of May 2, 1945 (P.L. 382, No. 164),²⁵ known as the "Municipality Authorities Act of 1945," for the purpose of assisting and encouraging local municipalities to undertake vital and necessary capital improvement projects that could not be financed or constructed with county assistance and who subsequently became an employe of the county may have the period of his employment with such authority credited as a county employe. The person shall make application to the board within three years of the effective date of this subsection and, upon approval of the application, shall pay into the retirement fund the amount which he would have been required to pay into the fund if he had been a county employe from the date of his original employment with the authority. The county shall pay into the retirement fund an amount equal to the amount paid in by the employe in accordance with the provisions of this article.

(2) Any person who has employed by an authority created by the county on or after February 14, 1950, pursuant to the act of May 24, 1945 (P.L. 991, No. 385),²⁶ known as the "Urban Redevelopment Law," who participated in the Allegheny County Redevelopment Authority (ACRA) retirement plan and who subsequently became an employe of the county on or before January 1, 2001, may have the period of his employment with such authority credited as a county employe to reflect the employe's transfer of a governmental function, provided the person is not entitled to receive, eligible to receive now or in the future or currently receiving retirement benefits for such service under a retirement system administered and wholly or partially paid for by any other governmental agency or by any private employer. The person shall be required to transfer to

²⁵ 53 P.S. § 301 et seq.

²⁶ 53 P.S. § 1701 et seq.

the retirement fund an amount equal to the greater of the amount the person received from the ACRA plan plus interest at six per centum per annum from the date of the distribution from the ACRA plan to date of payment or an amount equal to the sums, both employe and county contributions, that would have been paid into the retirement fund had the person always been a member of the retirement fund plus interest at six per centum per annum from the date the sums would have been made to the retirement fund to date of payment. Upon written notification of the amount from the board, the person would be given a year to make the contribution. Interest from the date of notification to date of payment shall be charged at six per centum per annum.

§ 4710.1. Exclusion of certain persons

A participant in on-the-job training, work experience and public service employment whose employment with the county is funded in whole or in part by the Federal "Comprehensive Employment and Training Act,"²⁷ as amended, shall not be or become a member of the employes' retirement system as established and maintained under Article XVII of this act²⁸ unless provisions are approved and implemented by the retirement board, in accordance with regulations adopted pursuant to the "Comprehensive Employment and Training Act," as amended, whereby all employer costs of providing for membership or service credits in the retirement system attributable to CETA participation are payable from funds provided under the "Comprehensive Employment and Training Act."

§ 4711. Exceptions in favor of employes totally and permanently disabled

(a) Any present or future county employe, except persons who are employed in accordance with the provisions of subsection (c) of this section and persons who are reemployed in accordance with the provisions of subsection (b) of section 1715,²⁹ who has been in employ for a period of not less than twelve years, upon application to the board, may receive a retirement allowance plus a service increment, if any, in accordance with the provisions of section 1712,³⁰ if he or she becomes mentally incapacitated or totally and permanently disabled physically, even though such county employe has not reached the age of sixty years, provided that proof of such mental incapacity or total and permanent physical disability shall be by the unanimous opinion and sworn statements of three practicing physicians of the county designated by the board. Application in behalf of a mentally incapacitated county employe for a retirement allowance plus a service increment, if any, shall be made by a duly appointed guardian who shall be entitled to receive such retirement allowance plus a service increment, if any, to which the mentally incapacitated county employe may be eligible to receive.

(b) Once each year, the board may require any former county employe, who is receiving a retirement allowance plus a service increment if any by reason of such mental incapacity or total

²⁷ 29 U.S.C.A. § 801 et seq.

²⁸ 16 P.S. § 4701 et seq.

²⁹ 16 P.S. § 4715.

³⁰ 16 P.S. § 4712.

and permanent physical disability, to undergo a medical examination by a physician or physicians designated by the board. Should such physician or physicians thereupon report and certify to the board that such former county employe is no longer mentally incapacitated or totally and permanently physically disabled, or that such former county employe is able to engage in a gainful occupation, and should the board concur in such report, then the amount of the retirement allowance plus a service increment if any, shall be reduced or discontinued, as the board may determine.

(c) No person entering the employ of the county or county institution district as a county employe after the first day of August, one thousand nine hundred fifty-three, who has attained the age of fifty-five or more years at the time of such employment, shall be eligible to receive a retirement allowance by reason of total and permanent physical disability as herein provided.

§ 4712. Amount of retirement allowances

(a)(1) For employes hired prior to the effective date of paragraph (2),³¹ the retirement allowance paid under the provisions of this article shall equal fifty per centum of the amount which would constitute the average monthly compensation as received by the county employe during the highest twenty-four months of the last four (4) years of his employment or two years on a bi-weekly pay basis in which period of time the said county employe made monthly or bi-weekly contributions into the retirement fund prior to his or her retirement.

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

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

³¹ Subsec. (a)(2) added by 2013, Dec. 23, P.L. 1242, No. 125, § 5, effective in 60 days [Feb. 21, 2014].

the employe during the five-year period preceding the employe's retirement; Provided, That the required contribution is paid into the retirement system within ninety (90) days of the date of retirement. An employe who retires within five (5) years of the effective date of the compensation cap removal may elect to satisfy the contribution requirement by making a lump sum contribution that is calculated by applying the applicable contribution percentage rate to all excess compensation received by the employe during the prior five-year period on which contributions were not made. Within ninety (90) days of such contribution by an employe, contributions shall also be made by the county in an amount equal to the amount contributed by the employe. The effective date of the cap removal is December 31, 1999.

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

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

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

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

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

(b) Deleted. 1973, June 1, P.L. 37, No. 19, § 1, imd. effective.

(b.1)(1) In addition to the retirement allowance which is authorized by this article and notwithstanding the limitations therein placed upon retirement allowances, any county employe hired prior to the effective date of paragraph (2)³² who upon retirement shall be eligible to receive payment of a retirement allowance and who has been employed as such for twenty or more years during which period of time he or she shall have made monthly contributions into the retirement fund, shall also be eligible to the payment in addition to a retirement allowance a service increment of two per centum per year computed upon the annual retirement allowance to which he or she is entitled. Said service increment shall be the sum obtained by computing the number of full years, and any portion of a year, in excess of twenty years during which period of time he or she shall have made monthly or bi-weekly contributions into the retirement fund. No service increment shall be paid for more than twenty (20) such excess service years. Effective as of January 1, 1989, in the event an employe, on the effective date of employment termination, shall have less than a full year service for the purpose of computing the employe's service increment, then the amount of the service increment, which would have been computed had the employe completed a full twelve-month period for the year of the termination of employment, shall be prorated upon a full completed month basis for said last year of service increment.

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

(c) Any person receiving a retirement allowance and is subsequently reemployed as a county employe, during the period of such reemployment his or her retirement allowance plus a service increment, if any, shall cease until subsequent retirement. The subsequent retirement allowance and service increment, if any, in the case of persons reemployed prior to the first day of June, one thousand nine hundred fifty-three, and retiring at any time after the first day of August, one thousand nine hundred fifty-three, shall be at the rate he or she would have received had there been no previous retirement. In the case of persons reemployed after the thirty-first day of May, one thousand nine hundred fifty-three, the subsequent retirement allowance, plus a service increment, if any, shall be the same as he or she received prior to his or her reemployment. All present and future reemployed retired employes shall have the option to make bi-weekly

³² Subsec. (b.1)(2) added by 2013, P.L. 1242, No. 125, § 5, effective in 60 days [Feb. 21, 2014].

contributions to the fund to qualify for an increased retirement allowance upon subsequent retirement: Provided, That he or she make retirement contributions to the fund with interest at the legal rate, for said period of time when no contributions were made from the earnings of said employe during the period of such reemployment. Upon subsequent retirement, the reemployed service credit, which shall equal one-twentieth for each full year's service, shall be added to the previous retirement allowance and in one amount, be paid monthly to the reemployed retiree. In no event shall increments be paid for any such reemployment service credit.

(d) Retirement allowance plus a service increment, if any, shall be paid in monthly installments on warrants of the board. No retirement allowance plus a service increment, if any, granted to any person who has heretofore retired or who shall hereafter retire shall be decreased or revoked during the life of any such person, except as the board may decide in accordance with the provisions of subsection (b) of section 1711,³³ as well as a suspension thereof in accordance with the provisions of subsection (c) of this section.

(e) Any present or future married county employe covered under the provisions of this article may receive retirement benefits in accordance with the provisions of this section to which such county employe may be entitled or he or she may elect at anytime before retirement, to receive in lieu thereof benefits under the option as hereinafter set forth.

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

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

(2) All employes hired prior to the effective date of paragraph (3),³⁴ may elect to provide survivorship option benefits for a spouse in the following classifications if the following

³³ 16 P.S. § 4711.

³⁴ Subsec. (f)(3) added by 2013, P.L. 1242, No. 125, § 5, effective in 60 days [Feb. 21, 2014].

conditions are satisfied:

Class I. The deceased employe shall have attained the age of fifty years and had completed between the minimum number of years of service specified in subsection (a) of section 1710³⁵ and nineteen years of service and dies before reaching the age of fifty-five years. The reduced retirement option benefit to commence to the survivor at the time the deceased employe would have attained the age of fifty-five years. Said benefits to be paid in accordance with the provisions set forth under subsection (d), Option II, of section 1713.³⁶

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

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

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

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

(g) Sections 1710, 1711 and 1713 are to be construed as applying to the provisions of subsection (e) of this section insofar as the aforesaid sections are applicable.

(h) Survivorship benefits at age fifty-five shall be determined according to the following table:

³⁵ 16 P.S. § 4710(a).

³⁶ 16 P.S. § 4713.

Maximum 95%

Minimum 70% or \$75.00

Spouse Years Older

Spouse Years Younger

Same Age =	90%	Same Age =	90%	-15 years =	80%
+ 1 year =	90½%	- 5 years =	90%	-16 years =	79%
+ 2 years =	91%	- 6 years =	89%	-17 years =	78%
+ 3 years =	91½%	- 7 years =	88%	-18 years =	77%
+ 4 years =	92%	- 8 years =	87%	-19 years =	76%
+ 5 years =	92½%	- 9 years =	86%	-20 years =	75%
+ 6 years =	93%	-10 years =	85%	-21 years =	74%
+ 7 years =	93½%	-11 years =	84%	-22 years =	73%
+ 8 years =	94%	-12 years =	83%	-23 years =	72%
+ 9 years =	94½%	-13 years =	82%	-24 years =	71%
+ 10 years =	95%	-14 years =	81%	-25 years =	70%

One-half of the rate specified in the table shall be paid to the surviving spouse on the death of the retired employe.

(i)(1) Any county employe hired prior to the effective date of paragraph (2)³⁷ retiring under disability retirement benefits shall qualify for survivorship option benefits if he or she shall have reached the age of fifty-five years and having twenty or more years of service credit will be eligible for same benefits had he retired under the normal retirement provided for in this act. Any county employe retiring under disability retirement and having twelve years but less than twenty years of service credit, upon reaching age fifty-five will be eligible for survivorship option benefits and his or her spouse shall receive the maximum amount of seventy-five dollars (\$75.00) per month upon his or her death under the option benefit clause as set forth under subsection (e) of this section.

(2) Any county employe hired on or after the effective date of this paragraph retiring under disability retirement benefits shall qualify for survivorship option benefits if he or she shall have reached the age of fifty-five years and having twenty-five or more years of service credit will be eligible for same benefits had he or she retired under the normal retirement provided for in this act. Any county employe retiring under disability retirement and having twelve years but less than

³⁷ Subsec. (i)(2) added by 2013, Dec. 23, P.L. 1242, No. 125, § 5, effective in 60 days [Feb. 21, 2014].

twenty-five years of service credit, upon reaching age fifty-five will be eligible for survivorship option benefits and his or her spouse shall receive the maximum amount of seventy-five dollars (\$75.00) per month upon his or her death under the option benefit clause as set forth under subsection (e) of this section.

§ 4713. Retirement allowances after leaving service

(a) to (c) Deleted. 1973, June 1, P.L. 37, No. 19, § 1, imd. effective.

(d) Option I. Any person who, after twenty or more years' service as a county employe resigns from his or her office position or employment before reaching the age of sixty years when he or she attains the age of sixty years, when such former county employe shall be eligible to receive a retirement allowance which shall be computed on the average monthly compensation as received by the former county employe prior to his or her separation from the service of the county or county institution district in accordance with the provisions of subsection (a) of section 1712.³⁸ Such former county employe shall be eligible to receive, in addition to a retirement allowance, a service increment, if any, in accordance with the provisions of subsection (b) of section 1712 only to the time of his or her separation from the service of the county or county institution district.

Option II. Employe may elect to receive immediate retirement allowance benefits under the age of sixty years provided that said retirement allowance be reduced by one-half of one per centum for each month under the age of sixty years. Option I or Option II election shall be final upon separation of his or her service from the county.

Option III. Any employe under sixty years of age who has served twenty years or more and who was dismissed through no fault of his own may elect to receive immediate retirement allowance benefits plus a service increment, if any, equal to seventy per centum of the benefits he would be entitled to receive had he continued to be employed until age sixty. The service increment shall be effective as of January 1, 1989.

(e) The aforesaid retirement allowance plus a service increment, if any, as provided in subsection (d) of this section, shall be subject to a suspension thereof in accordance with the provisions of subsection (c) of section 1712.

§ 4714. Separation from service; refund of contribution

(a) Any person contributing monthly or bi-weekly into the retirement fund who shall, for any cause, cease to be a county employe before he or she shall be eligible to receive the benefits of the retirement allowances, the total amount of the contributions paid into the retirement fund by such county employe shall be refunded to him or her by the board, or, in the event of the death of any such county employe, the amount of said contributions shall be paid to such person or persons as he or she shall have designated in writing, as filed with the board, as his or her beneficiary, or to

³⁸ 16 P.S. § 4712.

his or her estate. If no person or persons have been designated as his or her beneficiary, or no notice has been filed with the board to pay the amount of such contributions to his or her estate, as herein provided, then the board is herewith authorized to pay such contributions to the executor, administrator, surviving spouse, or next of kin of the deceased county employe. In the event the surviving spouse or next of kin of the decedent cannot be found for the purpose of making distribution of such contributions for a period of seven years from the death of the said county employe, then the aforesaid contributions shall be escheated to the Commonwealth for the benefit of the retirement system. In addition thereto, simple interest shall be paid at a monthly rate of interest that is equivalent to one-twelfth of the annual rate of interest specified herein on contributions of the member made under subsection (a) of section 1708³⁹ calculated from the beginning of the month of the deposit, or withholding, or payment into the fund of those contributions through the end of the month of refund; and such interest credited to the contributions of the member made under subsection (a) of section 1708 in a prior calendar year shall receive simple interest at the monthly rate of interest that is equivalent to one-twelfth of the annual rate of interest specified herein through the end of the month of refund. The annual rate of interest shall be fixed by the board. Such contributions and interest shall be paid to a county employe provided he was employed for a period of two consecutive years or more and has made twenty-four monthly contributions to the fund and is not eligible to receive the benefits of a retirement allowance. Notwithstanding the provisions of this subsection, a member who has ceased to make contributions to the fund by payroll deduction shall thereafter be credited with interest only for a period of years equal to his years of current service under this amendment. Any person who has heretofore or who shall hereafter cease to be a county employe, shall thereafter cease to be a member of the retirement system, except such former county employe who may be eligible to receive the benefits of a retirement allowance plus a service increment if any in accordance with the provisions of sections 1710 and 1713.⁴⁰

(b) If any former county employe receiving a retirement allowance either with or without a service increment shall die before he or she shall have received the total retirement allowance payments plus the service increment, if any, including payments of a survivor's benefit allowance, if any, equal to the total amount of contributions as made by such former county employe into the retirement fund, then the difference between the total of the retirement allowance payments plus the service increment, if any, including payments of a survivor's benefit allowance, if any, and the total of the amount of contributions paid into the retirement fund by such former county employe shall be paid to such person or persons as he or she shall have designated in writing, as filed with the board, as his or her beneficiary, or to his or her estate.

³⁹ 16 P.S. § 4708(a).

⁴⁰ 16 P.S. §§ 4710, 4713.

§ 4715. Reinstatement and requirements for credit for previous service

(a) No county employe shall be permitted to withdraw his or her contributions as paid into the retirement fund upon transfer from one office, department or agency to another. Any person who has ceased to be a county employe and whose contributions as paid into the retirement fund, have been refunded by the board, if such person has been reemployed by the county or county institution district and desires to be given credit for previous service as a county employe, he or she shall make payment in full of the amount refunded, with interest at the legal rate, the said interest to be computed from the date of the refund to the date of repayment. Both principal and interest shall be paid into the retirement fund at one time and in one amount, or, upon approval of the board, both principal and interest shall be consolidated into one amount and paid in twenty-four or less equal monthly installments, plus interest payment on monthly balances. Upon application to the board, an employe shall be permitted to pay the principal and interest in thirty-six or less equal monthly installments, plus interest payment on monthly balances. Full payment thereof shall be a condition precedent to the county employe being eligible to receive the benefits of the retirement allowance plus a service increment, if any. Such county employe shall make monthly payments into the retirement fund in accordance with the provisions of section 1708.⁴¹

If any person who hereafter becomes a county employe and thereafter ceases to be a county employe and his or her contributions as paid into the retirement fund are refunded by the board, is reemployed by the county or county institution district and he or she desires to be given credit for previous service as a county employe, he or she shall make payment in full of the amount refunded, with interest at the legal rate, the said interest to be computed from the date of refund to the date of repayment. Both principal and interest shall be paid into the retirement fund at one time and in one amount, or, upon approval of the board both principal and interest shall be consolidated into one amount and paid in twenty-four or less equal monthly installments, plus interest payments on monthly balances. Whenever the time for payment in full has been extended for an additional period of one year the principal and interest may be paid in a total of not more than thirty-six equal monthly installments. Full payment thereof shall be a condition precedent to the county employe being eligible to receive the benefits of the retirement allowance plus a service increment, if any. Such county employe shall make monthly payments into the retirement fund in accordance with the provisions of section 1708. Any person who is a county employe on the effective date of this act may make payments into the retirement fund which shall cover a period of time within which such person was a county employe but was not a member of the retirement system because such membership was not compulsory.

(b) Any person who has heretofore or who hereafter ceases to be a county employe and whose contributions as paid into the retirement fund, have heretofore or shall hereafter be refunded by the board, if such person is reemployed by the county or county institution district and desires to be given credit for previous service as a county employe, he or she shall make payment in full of the amount refunded, with interest at the legal rate, the said interest to be computed from the date of the refund to the date of repayment. Both principal and interest shall be paid into the retirement fund at one time and in one amount. Upon application to the board, an employe shall be permitted to pay the principal and interest in thirty-six or less equal monthly installments, plus interest payment on

⁴¹ 16 P.S. § 4708.

monthly balances. Full payment thereof shall be a condition precedent to the county employe being eligible to receive the benefits of the retirement allowance plus a service increment, if any. Such county employe shall make monthly payments into the retirement fund in accordance with the provisions of section 1708. No person reemployed as a county employe in accordance with the provisions of this subsection shall be eligible to receive a retirement allowance by reason of total and permanent physical disability, in accordance with the provisions of section 1711,⁴² unless he or she shall be in employ for a period of not less than twenty years, which said period of employment shall include credit given for previous service, as herein provided. No person who is ineligible to become a member of the retirement system shall be eligible to receive credit for previous service as a county employe, as hereinbefore provided.

(c) Any county employe who desires to be given credit for previous service in the employ of the county as an elected or appointed employe or official, where such service subsequent to the first day of January, one thousand nine hundred forty, was rendered to the county at a time when such employe or official was not a member of the county employes' retirement system, including a period of probation served immediately after initial hiring, shall make application to the board, and upon approval thereof shall pay into the retirement fund a sum equal to twice the payment which such employe would have made had such person been a member thereof and had the payments been made in accordance with the provision of this article. In addition thereto, interest at the legal rate shall be paid from the date when the said monthly payment would have been made. Both principal and interest shall be paid into the retirement fund at one time and in one amount, or, upon approval of the board, both principal and interest shall be consolidated into one amount and paid in twenty-four or less equal monthly installments, plus interest payment on monthly balances. Full payment thereof shall be a condition precedent to the county employe being eligible to receive the benefits of the retirement allowances. Such county employe shall make monthly payments into the retirement fund in accordance with the provisions of section 1708.

(d) Any person employed by any county correctional institution at the date such person became eligible for membership in the county employes' retirement system, who desires to be given credit for previous service in the employ of such institution when such employe was not eligible for membership, shall make application to the board, and upon approval thereof shall pay into the retirement fund a sum equal to twice the payment which such employe would have made had such person been a member thereof and had the payments been made in accordance with the provisions of this article. In addition thereto, interest at the legal rate shall be paid from the date when the said monthly payment would have been made. Both principal and interest shall be paid into the retirement fund at one time and in one amount, or upon approval of the board, both principal and interest shall be consolidated into one amount and paid in twenty-four or less equal monthly installments, plus interest payment on monthly balances. Full payment thereof shall be a condition precedent to the county employe being eligible to receive the benefits of the retirement allowances. Such county employe shall make monthly payment into the retirement fund in accordance with the provisions of section 1708.

§ 4716. Contribution or retirement allowance not subject to levy, attachment or assignment;

⁴² 16 P.S. § 4711.

suspension of retirement allowances; ineligibility

No contribution, retirement allowance or service increment shall be subject to levy, sale, execution, attachment, garnishment, or any other process whatsoever, and shall not be subject to assignment or transfer. Said retirement allowance and service increment shall be exempt from any State tax or tax of any political subdivision.