No. 2015-63

AN ACT

HB 239

Amending the act of August 31, 1971 (P.L.398, No.96), entitled "An act providing for the creation, maintenance and operation of a county employes' retirement system, and imposing certain charges on counties and providing penalties," further providing for definitions and for supplemental benefits.

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

Section 1. Section 2 of the act of August 31, 1971 (P.L.398, No.96), known as the County Pension Law, is amended by adding a definition to read:

Section 2. Definitions.—As used in this act:

* * *

(5.1) "Cost-of-living index" means the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) for the Pennsylvania, New Jersey, Delaware and Maryland area for the 12-month period ending August 31 for the year in which the adjustment is reviewed.

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Section 2. Section 30(b) of the act, amended July 18, 1986 (P.L.1410, No.126), is amended to read:

Section 30. Supplemental Benefits.—* * *

(b) *(1)* The cost-of-living increase shall be reviewed at least once in every three years by the board which may adjust the ***current monthly benefit by the*** percentages in accordance with cost-of-living index at the time of review[.]***, provided that the adjustment need not be calculated retroactively to the date of the previous cost-of-living increase approved by the board under this section and need not apply the cost-of-living index change for each year since the previous cost-of-living increase. Any adjustment approved under this paragraph shall become effective January 1 of the calendar year following the year in which the adjustment is approved.***

(2) Before approving any cost-of-living adjustment, the board shall have an actuarial note prepared regarding the proposed adjustment. A cost-of-living adjustment shall only be provided if the county retirement system calculates a funded ratio based upon an entry age normal methodology of eighty per cent or higher after the actuarial cost of the adjustment is determined. Any county retirement system that utilizes an accounting method that does not determine a funded ratio based upon an entry age normal methodology shall, each year, use an entry age normal actuarial cost methodology to calculate a funded ratio in order to determine if the fund meets the eighty per cent or higher funding level. The funding level calculation shall be reported to the Public Employee Retirement Commission in conjunction with established reporting requirements.

Section 3. This act shall take effect in 60 days.

APPROVED—The 24th day of November, A.D. 2015

TOM WOLF