

may be expended by the Department of Public Instruction during the fiscal year July 1, 1963, to June 30, 1964, for the administration of this act.

Section 16. Effective Date.—This act shall take effect immediately.

APPROVED—The 24th day of August, A. D. 1963.

WILLIAM W. SCRANTON

No. 485

AN ACT

Amending the act of June 4, 1943 (P. L. 886), entitled, as amended, "An act creating a Municipal Employees' Retirement System for the payment of retirement allowances to officers and employes of political subdivisions and municipal authorities and of institutions supported and maintained by political subdivisions and providing for the administration of the same by a board composed of certain state officers and others appointed by the Governor; imposing certain duties on the State Employees' Retirement Board and the actuary thereof; providing the procedure whereby political subdivisions and municipal authorities may join such system, and imposing certain liabilities and obligations on such political subdivisions and municipal authorities in connection therewith, and as to certain existing retirement and pension systems, and upon officers and employes of such political subdivisions; institutions supported and maintained by political subdivisions, and upon municipal authorities; providing certain exemptions from taxation, execution, attachment, levy and sale; and making an appropriation," clarifying the reference to the fiscal year, providing a death benefit for the survivors of certain member employes, and providing alternative methods for paying the survivor's benefit under Option 1.

Municipal Employees' Retirement Law.

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

Section 16, act of June 4, 1943, P. L. 886, amended September 23, 1959, P. L. 946, further amended.

Section 1. Section 16, act of June 4, 1943 (P. L. 886), known as the "Municipal Employees' Retirement Law," amended September 23, 1959 (P. L. 946), is amended to read:

Section 16. Annual Estimates to Municipalities; Administrative Expenses.—The board shall prepare and submit to each municipality, on or before the first day of the fourth month preceding the commencing of [its] *each municipality's* fiscal year, an itemized estimate of the amounts necessary to be appropriated by the municipality to complete the payments of the obligations of the municipality to the fund during [the] *its* next fiscal year. It shall also include, in each such estimate, the amount required to be paid by the municipality to pay the costs of administering this act, including the additional compensation of the actuary and the secretary,

the salary and compensation of additional employes required, postage, supplies, telephone, telegraph, printing and traveling and incidental expenses. The amounts so paid by municipalities, on account of administration expenses, shall be apportioned by the board on an equitable basis but shall not exceed the sum of ten dollars (\$10) per member per year.

The amounts paid by municipalities, on account of administrative expenses, shall be paid into the State Treasury and shall be credited to the current appropriation of the State Employes' Retirement Board, for use and expenditure by the Municipal Employes' Retirement Board in administering the provisions of this act. Any balance of such municipal contributions, on account of administrative expenses remaining unexpended at the end of a fiscal biennium, shall be credited to the appropriation to the State Employes' Retirement Board for the next fiscal biennium, and none of said municipal contributions shall be deemed to have lapsed.

The amounts required to be paid by municipalities under the provisions of this act shall be paid out of moneys raised annually by general taxation, or in the case of townships of the second class, out of taxes levied for road, bridge and general township purposes and out of moneys received from the State which are designated for pension purposes.

Section 2. The act is amended by adding, after section 20, a new section to read:

Act amended by
adding a new
section 20.1.

Section 20.1. Death Benefits.—(a) A contributor to the retirement system who is entitled to a superannuation retirement allowance by reason of having reached superannuation retirement age or who is entitled to a withdrawal allowance by reason of having completed twenty-five years of total service, may file with the retirement board a written application for retirement, in the form required for such application, but requesting that such retirement shall become effective as of the time of his death, electing one of the options provided in section 21 and nominating a person having an insurable interest in his life under said option as required in said section. In all such cases, the application shall be held by the retirement board until the contributor shall file a later application in the usual manner for a superannuation retirement allowance or until the death of the contributor occurring while in municipal service, at which time his retirement shall become effective with the same benefits to the person designated as if the contributor had retired on the day immediately preceding his death.

(b) A contributor to the retirement system who is entitled to a superannuation retirement allowance by

reason of having reached superannuation retirement age or who is entitled to a withdrawal allowance by reason of having completed twenty-five years of total service and who has died in municipal service before filing with the retirement board a written application for a superannuation retirement allowance as provided in subsection (a) of this section shall be considered as having elected Option 1 as provided in section 21 as of the date of his death. In such event, payment under Option 1 shall be made to the beneficiary designated in the nomination of beneficiary form on file with the retirement board, or if said beneficiary has predeceased the contributor, to the legal representative of said contributor.

(c) The provisions of subsections (a) and (b) of this section shall not apply to any member unless the municipality by which he is employed has elected, by ordinance or resolution, to extend the provisions of this section to its employes. A duly certified copy of such ordinance or resolution shall be filed with the retirement board.

Section 21 of
act, amended.

Section 3. Section 21 of the act is amended to read:

Section 21. Options on Superannuation Retirement.—At the time of his superannuation retirement, any contributor may elect to receive his benefits in a retirement allowance payable throughout his life, which shall be known as a single life annuity, or instead, he may elect to receive the actuarial equivalent at that time of his member's annuity and municipal annuity or retirement allowance in a lesser sum, payable throughout life with provisions that —

(a) Option 1.—If he shall die before receiving in payments the present value of his member's annuity, municipal annuity or retirement allowance as it was at the time of his retirement, the balance, *if less than five thousand dollars (\$5000)*, shall be paid in a lump sum to his legal representative, or to or in trust for such person having an insurable interest in his life, as he shall nominate by written designation, duly acknowledged and filed with the board at the time of his retirement. *If the balance is five thousand dollars (\$5000), or more, the beneficiary may elect by application duly acknowledged and filed with the board to receive payment of such balance according to any one of the following provisions: (i) a lump sum payment; (ii) an annuity having a present value equal to the balance payable; (iii) a lump sum payment and an annuity. Such annuity shall have a present value equal to the balance payable less the amount of the lump sum payment specified by the beneficiary.*

(b) Option 2.—Upon his death, his member's annuity, municipal annuity or retirement allowance shall be continued throughout the life of and paid to such person, having an insurable interest in his life, as he shall nominate by written designation, duly acknowledged and filed with the board at the time of his retirement.

(c) Option 3.—Upon his death, one-half of his member's annuity, municipal annuity or retirement allowance shall be continued throughout the life of and paid to such person, having an insurable interest in his life, as he shall nominate by written designation, duly acknowledged and filed with the board at the time of his retirement.

Section 4. This act shall take effect immediately.

Act effective immediately.

APPROVED—The 24th day of August, A. D. 1963.

WILLIAM W. SCRANTON

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No. 486

AN ACT

Amending the act of August 9, 1955 (P. L. 323), entitled "An act relating to counties of the third, fourth, fifth, sixth, seventh and eighth classes; amending, revising, consolidating and changing the laws relating thereto," authorizing appropriations for the payment of public defenders.

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

The County Code.

Section 1. Article XIX, act of August 9, 1955 (P. L. 323), known as "The County Code," is amended by adding, at the end thereof, a new subdivision to read:

Article XIX., act of August 9, 1955, P. L. 323, amended by adding a new subdivision (r).

ARTICLE XIX

SPECIAL POWERS AND DUTIES OF COUNTIES

* * *

(R) PUBLIC DEFENDERS

Section 1998. Appropriations for Public Defenders.—The board of commissioners of any county may appropriate moneys for payment to nonprofit public defender associations or societies, county bar associations or individual attorneys-at-law, who act as public defenders for indigent persons charged with a felony other than murder or with a misdemeanor.

APPROVED—The 24th day of August, A. D. 1963.

WILLIAM W. SCRANTON