

No. 1992-12

AN ACT

SB 752

Amending the act of February 1, 1974 (P.L.34, No.15), entitled "An act creating a Pennsylvania Municipal Retirement System for the payment of retirement allowances to officers, employes, firemen and police of political subdivisions and municipal authorities and of institutions supported and maintained by political subdivisions and municipal government associations and providing for the administration of the same by a board composed of the State Treasurer and others appointed by the Governor; imposing certain duties on the Pennsylvania Municipal 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, employes, firemen and police of such political subdivisions, institutions supported and maintained by political subdivisions, and upon municipal authorities; providing for the continuation of certain municipal retirement systems now administered by the Commonwealth; providing certain exemptions from taxation, execution, attachment, levy and sale and providing for the repeal of certain related acts," further providing for administrative expenses.

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

Section 1. Section 112 of the act of February 1, 1974 (P.L.34, No.15), known as the Pennsylvania Municipal Retirement Law, amended May 26, 1988 (P.L.411, No.70), is amended to read:

Section 112. Annual Estimates to Municipalities; Administrative Expenses.—The board shall prepare and submit to each municipality, on or before the first day of the third month preceding the commencing of 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 its next fiscal year.

The board shall annually prepare and approve a budget covering the administrative expenses of this act. Such expenses as approved by the board shall be paid from receipts from assessments made against each municipality for administrative expenses. This assessment shall be based on the number of members in each municipality and shall not exceed the sum of twenty dollars (\$20) per member per year. If, in the calendar years [1987, 1988, 1989 and 1990] 1991, 1992, 1993 and 1994, the amount received from such assessments, when imposed at the maximum rate, is not sufficient to cover the administrative expenses, then the balance of such expenses shall be paid from interest earnings on the fund in excess of the regular interest credited to the municipal, [member's] members' and retired members' reserve accounts and shall not, in any year, exceed six-tenths of one per cent of the total asset value of the fund as of the beginning of the calendar year. The administration of the Pennsylvania Municipal Retirement System shall be audited

annually and a report of this audit shall be made annually to the General Assembly.

The secretary of the board shall submit a proposed budget for the following fiscal year to the Senate and House Local Government Committees no later than November 1 of the year preceding that for which the budget is being prepared. The respective committees shall meet and review such budget document. If the committees take no action within sixty days of said November 1, the budget for the following calendar year shall be deemed approved.

Section 2. This act shall be retroactive to January 1, 1991.

Section 3. This act shall take effect immediately.

APPROVED—The 3rd day of April, A. D. 1992.

ROBERT P. CASEY