

No. 2004-79

## AN ACT

HB 2351

Amending the act of February 1, 1966 (1965 P.L.1656, No.581), entitled "An act concerning boroughs, and revising, amending and consolidating the law relating to boroughs," providing for retirement benefits of employees transferred to wastewater authorities.

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

Section 1. The act of February 1, 1966 (1965 P.L.1656, No.581), known as The Borough Code, is amended by adding a section to read:

**Section 1105.1. Retirement Benefits of Employes Transferred to Wastewater Authorities—***(a) (1) An employe of a wastewater authority created by a borough and one or more townships pursuant to 53 Pa.C.S. Ch. 56 (relating to municipal authorities) that commenced operations after December 1, 2001, who satisfies the requirements of paragraph (2) and has past service credits under the borough retirement plan may file a written election with the borough council and the wastewater authority to be a member of the borough retirement system. The qualified employe shall file the written election within one year after the effective date of this section.*

*(2) In order to qualify for the option under paragraph (1), the employe must satisfy both of the following requirements:*

*(i) Immediately prior to the date of transfer of employment to the wastewater authority, be an employe of the borough that, together with one or more townships, established the wastewater authority.*

*(ii) Be an active member of the borough's retirement system on the date that the employe's employment was transferred to the wastewater authority.*

*(3) For an employe who files an election under paragraph (1), the affected wastewater authority shall:*

*(i) Deduct from the employe's salary an amount equal to the employe contribution that would have been deducted had the employe continued to be a borough employe and shall pay the deducted amount to the borough's retirement fund.*

*(ii) Pay to the borough's retirement fund an employer contribution equal to the employer normal cost plus anticipated administrative expenses and amortization payments less general municipal pension system State aid expressed as a percentage of the system's total payroll as calculated by the borough pursuant to the act of December 18, 1984 (P.L.1005, No.205), known as the "Municipal Pension Plan Funding Standard and Recovery Act," and applied to the payroll of the employe.*

*(b) All employes who elect to be members of the borough retirement system under this section shall be treated as borough employes in determining the borough's annual allocation of general municipal pension system State aid pursuant to section 402(e) of the "Municipal Pension Plan Funding Standard and Recovery Act," and the annual allocation of general municipal pension system State aid pursuant to section 402(e) of the "Municipal Pension Plan Funding Standard and Recovery Act" shall be payable to the borough.*

Section 2. This act shall take effect in 60 days.

APPROVED—The 15th day of July, A.D. 2004.

EDWARD G. RENDELL