

“County Pension Law”
Act of 1971, P.L. 398, No. 96

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AN ACT

Providing for the creation, maintenance and operation of a county employees’ retirement system, and imposing certain charges on counties and providing penalties.

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

Section 1. Short Title.

This act shall be known and may be cited as the “County Pension Law.”

Section 2. Definitions.

As used in this act:

(1) “Board” means the County Retirement Board created by this act.

(2) “County employee” means any person, whether elected or appointed, who is employed by the county, the county institution district, in the county prison or in any other institution maintained by the county from county moneys, or who is employed by any county or State official and paid by such purpose, whose salary or compensation is paid in regular installments or from fees collected by his office, but shall not, except as hereafter provided, include any person employed after the effective date of this act on a part-time basis. ((2) amended Nov. 21, 1990, P.L. 551, No. 136)

(2.1) “Part-time” means employment with the exception of completing less than 1000 hours of service during the 12-month period beginning on the first day of employment and each succeeding 12-month period thereafter. ((2.1) added Nov. 21, 1990, P.L. 551, No. 136)

(3) “Fund” means the County Employees’ Retirement Fund created by this act.

(4) “Accumulated deductions” mean the total of pickup contributions and the amounts deducted from the salary of a contributor and paid into the fund and standing to the credit of the members’ annuity reserve account, together with the regular interest thereon.

(4.1) “Compensation” means pickup contributions plus remuneration received as a county employee excluding refunds for expenses, contingency and accountable expense allowances and excluding severance payments or payments for unused vacation or sick leave.

(5) “Contributor” means any person who has accumulated deductions in the fund standing to the credit of the members’ annuity reserve account.

(6) “Retiree” means any person in receipt of a retirement allowance under this act.

(7) “Prior service” means all service as a county employee served not later than December thirty-first, preceding the year the retirement system shall be established in any county.

(8) “Original member” means a member who was a county employee on the date of establishment of the retirement system in the county.

(9) “New member” means a member who shall have become a member of the retirement system in said county.

(10) “Superannuation retirement age” means sixty (60) years of age or upwards, except as applied to a contributor who has completed twenty years (25) of total service, in which case superannuation retirement age means fifty-five (55) years of age or upwards.

(11) “Final Salary” mean the average annual compensation received by the contributor for the three (3) highest years of service in the employment of the county, or in the event a member has not served five (5) years, the total compensation received divided by the number of years served.

(12) “Regular interest” means interest at the rate of four (4) percent compounded annually, except as established by the board for member contributions.

(13) “County annuity” means payments for life or during disability derived from contributions made by the county.

(14) “Member’s annuity” means payments for life or during disability derived from contributions made by the contributor and from pickup contributions.

(14.1) “Pickup contributions” means regular member contributions which are made by the county on behalf of county employees for current service in accordance with section 7(c).

(15) “Retirement allowance” means the county annuity plus the member’s annuity.

(16) “Vesting” means the right of a contributor who separates from service after having completed eight (8) or more years of credited service to leave accumulated deductions credited to his account in the fund and upon reaching superannuation retirement age receive a superannuation retirement allowance.

(2 amended Dec. 20, 1983, P.L. 282, No. 75)

Section 3. Applicability.

The provisions of this act shall apply to each county of the second class A, third class, fourth class, fifth class, sixth class, seventh class and eighth class which has or hereafter may establish a county employees’ retirement system.

Section 4. County Retirement System; County Retirement Board.

(a) A retirement system may be established for county employees by resolution of the county commissioners in any county of the second class A, third class, fourth class, fifth class, sixth class, seventh class and eighth class. The retirement system shall be established on the first Monday of January of the year succeeding the one in which the resolution of the county commissioners was adopted.

(b) The system, when established, shall be administered by a county retirement board, consisting of five members, three of whom shall be the county commissioners, the county controller and the county treasurer. In counties having no elected county controller, the chief clerk of the county shall be a member of the board. The chairman of the board of county commissioners shall be chairman of the board. Each member of the board shall take an oath of office that he will diligently and honestly administer the affairs of the board, and that he will not knowingly violate or permit to be violated any of the provisions of this act. Such oath shall be subscribed by the member taking it, and shall be filed among the records of the board. The members of the board shall not receive

any compensation for their services, but shall be reimbursed for all expenses necessarily incurred in the performance of their duty. Three members of the board shall constitute a quorum.

Section 5. Personnel; Administrative expenses.

The board may appoint and fix the compensation of an actuary. The county controller or the chief clerk of the county, as the case may be, shall be secretary of the board. In counties having an optional form of government, the board shall appoint a secretary. The compensation of the secretary shall be fixed by the salary board or council, as the case may be. The secretary shall keep a record of all of the proceedings of the board, which record shall be open to inspection by the public.

The expense of the administration of this act, exclusive of the payment of retirement allowances, shall be paid by the county by appropriations made on the basis of estimates submitted by the board. However, such administrative expenses may from year to year be paid from the fund unless it is determined by the actuary that such payment will impair the actuarial soundness of the fund.

(5 amended Nov. 21, 1990, P.L. 551, No. 136)

Section 6. Rules and Regulations; Actuarial Data.

The board shall, from time to time, establish rules and regulations for meetings of the board and for the administration of the fund, and the various accounts thereof, as may be deemed necessary. The board may, by January thirty-first (31) of each year, determine the rate of regular interest to be allowed member contribution accounts for the current calendar year, such rate of regular interest not to be less than four (4) percent per year nor more than five and one-half (5 ½) percent per year. It shall keep such data as shall be necessary for actuarial valuation purposes. The actuary of the board shall (i) periodically make an actuarial investigation into the mortality and service experience of the contributors to and beneficiaries of the fund, (ii) adopt for the retirement system one or more mortality tables, and (iii) certify to the board annually the amount of appropriation to be made by the county to the fund to build up and maintain adequate reserves for the payment of the county's share of the retirement allowances.

(6 amended June 22, 1978, P.L. 495, No. 74)

Section 7. County Employees' Retirement Fund; Transfers Between Classes.

(a) There is hereby created in each county of the second class A, third class, fourth class, fifth class, sixth class, seventh class and eighth class, in which a retirement system has been established, a County Employees' Retirement Fund which shall consist of all moneys arising from appropriations made by the county, from contributions made by the members of the County Employees' Retirement System and from pickup contributions and all interest earned by the investments of moneys of the fund. The moneys contributed by the county shall be credited to a county annuity reserve account; and those contributed by the members and pickup contributions shall be credited to a member's annuity reserve account. Upon the granting of a retirement allowance to any contributor, whether as a superannuation retirement allowance, an involuntary retirement allowance or a total disability retirement allowance, the amount of the contributor's accumulated deductions in the members' reserve account shall lose their status as

accumulated contributions and shall be transferred to a retired members' reserve account. Regular interest shall be credited up to the date of retirement, death or withdrawal, to the members' annuity and county annuity and retired members' reserve accounts. Where a contributor separates from county service with vesting, regular interest shall be credited to all accumulated deductions credited to his account in the fund to the date on which he attains his superannuation retirement age. The actuary shall determine the present value of the liability on account of all county annuities payable to original members and the percentage of such liability which shall be contributed by the county each year over a period of fifteen (15) years from the time the system is established until the accumulated reserve equals the present value of said liability. All such contributions shall be credited to the county annuity reserve account. The actuary shall also determine the amount which shall be contributed by the county annuity reserve account on account of service of all new and original members subsequent to the time the retirement system is established.

(b) Each member of the retirement system shall be required to contribute to the fund such percent of his salary determined as follows:

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|-----------------|----|
| (1) Class 1-120 | 5% |
| (2) Class 1-100 | 6% |
| (3) Class 1-80 | 7% |
| (4) Class 1-70 | 8% |
| (5) Class 1-60 | 9% |

(c) The County may elect to contribute on behalf of each active member for current service the amount required by subsection (b) beginning the first Monday of January of the year in which the resolution to do so was adopted by the commissioners or, in counties operating under a home rule charter or optional plan, by the governing authority. Contributions made in 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, for Federal tax purposes. For all other purposes pickup contributions be 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 the each year shall, at the time when the income and withholding information required by law is furnished the amount of the pickup contribution made on the employee'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.

(d) Each member may elect to contribute an additional amount not exceeding ten (10) percent more than the percentage herein required. The contributions shall be paid into the fund through payroll deductions in such manner as the board may require. ((d) amended Nov. 21, 1990, P.L. 551, No. 136)

(e) The board may at any time, by rule, authorize members of the retirement system, whether original or new members, to individually elect to reduce the contribution to any of the percentages required herein for any class lower than the class otherwise designated by the board as applicable to the retirement system to which a member belongs. Any such election shall in no way affect the calculation of the county annuity portion of the member's retirement allowance as provided in section 14, which county

annuity portion shall be calculated as though the member had not made that election. ((e) added Nov. 21, 1990, P.L. 551, No. 136.)

(f) All contributions including optional additional payments by members shall be credited to the members' annuity reserve account. ((f) added Nov. 21, 1990, P.L. 551, No. 136.)

(g) The board may at any time, by rule, authorize members of the retirement system, whether original or new members, to transfer from the one-one hundred twentieth (1-120) class, or from the one-one hundredth (1-100) class, to the one-eightieth (1-80) class, to the one-seventieth (1-70) class, or to the one-sixtieth (1-60) class. Whenever such transfers are authorized, salary deductions or pickup contributions applicable to the transferred members shall be based upon the percent of salary deduction applicable while in each class, notwithstanding the provisions of subsection (e). ((g) added Nov. 21, 1990, P.L. 551, No. 136)

(7 amended Dec. 20, 1983, P.L. 282, No. 75)

Section 8. Custody of Fund; Payments.

All moneys and securities in the fund shall be placed in the custody of the county treasurer for safekeeping; and, all payments from the fund shall be made only on requisition signed by the chairman and secretary of the board.

Section 9. Management and Investment of Fund.

The members of the board shall be trustees of the fund, and shall have exclusive management of the fund with full power to invest the moneys therein subject to the terms, conditions, limitations and restrictions imposed by law upon fiduciaries. Subject to like terms, conditions, limitations and restrictions, the trustees shall have power to hold, purchase, sell, assign, transfer or dispose of any of the securities and investments in the funds, as well as the proceeds of investments and of the moneys belonging to the fund.

The board shall annually allow regular interest on the mean amount for the preceding year to the credit of each of the accounts. The amount so allowed shall be credited to each contributor's account.

Section 10. Compulsory Membership.

Each county officer may and all other county employees shall be required to become a member of the retirement system established by this act at the date specified in the resolution establishing the retirement system, and thereafter when first becoming a county employee. Those becoming members who have been at any time county employees prior to the first Monday of January of the year the retirement system is established shall be known as original members; and, those becoming members after that date as new members. Any person who become a county employee subsequent to the time the system was established, and who has been an employee of the county at any time theretofore, shall receive credit for the service prior to the time the system was established, and shall be known as an original member if he shall contribute to the fund the amount which would have been contributed if the retirement system had been in effect during such previous employment; in which event, the county shall contribute for each employee the amount which it would have contributed if the retirement system had been in effect during such time previous employment.

(10 amended Dec. 20, 1983, P.L. 282, No. 75)

Section 11. County Guarantee; Annual Budgets.

The regular interest charges payable, the creation and maintenance of the necessary reserves for the payment of the county and members' annuities in accordance with this act, and the additional retirement benefits, are hereby made obligations of the county. The board shall prepare and submit to the county commissioners, on or before the first day of November of each year, an itemized estimate of the amounts necessary to be appropriated by the county to complete the payment of obligations of the county during the next fiscal year.

Section 12. Service Allowance.

In computing the length of service of a contributor for retirement purposes, full credit shall be given to each original member for each year of service rendered to the county prior to January first of the year the retirement system was established. This shall include the services of a county official whose compensation was in the form of fees collected by his office, and shall also include the services of employees paid directly by such county official out of such fees. Full credit shall also be for each year of service of a contributor who was a per diem employee of the county for a period of at least five (5) years prior to the time the system became effective and who averaged at least two hundred (200) days of employment in each of such years. As soon as practicable, the board shall issue to each original member a certificate certifying the aggregate length of his service prior to January first of the year the retirement system was established. Such certificate shall be final and conclusive as to his prior service, unless thereafter modified by the board upon application of the member. Any member who had been employed on a part-time basis and had been excluded from membership in the plan and who completed more than 1000 hours of services during the 12-month period beginning on the first day of employment or in any succeeding 12-month period thereafter shall receive service credit for a fractional portion of a year determined by the ratio of the number of hours of service credited in that 12-month period to 1400 hours for the purpose of the computation of his retirement credit upon payment by the employee of the amount which the board determines should have been the applicable member contribution during such period. Such payment may be made in installments over a period fixed by the board. The time during which a member is absent from service without pay may be counted in computing the service of a contributor, if allowed by the county commissioners and approved by the board and if the employee pays the member contribution, including pickup contribution, and the county's contribution into the fund based upon the contributions made the year immediately preceding the leave of absence.

(12 amended Nov. 21, 1990, P.L. 551, No. 136)

Section 13. Credit for Military Service; Payments into Fund; Reimbursement.

(a) Any county employee who, on or after September 16, 1940 has been employed by the county for a period of six (6) months and who, on or subsequent to such date, shall have enlisted or been inducted into the military service of the United States in time of war, armed conflict or national emergency, so proclaimed by the President or the Congress of the United States, shall have credited to his employment record, fore

retirement benefits, all of the time spent by him in such military service during the continuance of such war, armed conflict or national emergency. Contributions on account of credit for intervening military service shall be determined by the employee's contribution rate and compensation at the time of entry of the member into active military service, together with interest during all periods of subsequent county service to date of purchase. Said contributions shall be paid into the fund by the county. Any employees who have made payments into the fund for which payments the county is liable shall be reimbursed by the county to the full extent of such payments, or be given credit towards future employee payments.

(b) With the approval of the county retirement board, all members of the fund who are contributors and who served actively in the armed forces of the United States shall be entitled to have full service credit for each year or fraction thereof, not to exceed five (5) years of such service. The amount due for the purchase of credit of military service other than intervening military service shall be determined by applying an employee's contribution rate of five (5) percent to his average annual rate of compensation over the first three (3) years of credit membership service and multiplying the result by the number of years and fractional part of a year of creditable non-intervening military service being purchased together with regular interest from the commencement of such credited membership service to date of purchase. Said contributions shall be paid into the fund by the employee; provided, that the member has three (3) years of county service subsequent to such military service; provided further, that he 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 administrated and wholly or partially paid for by any other governmental agency. ((b) amended No. 21, P.L. , No. 136)

(13 amended July 20, 1979, P.L. 164, No. 53)

Section 13.1. Superannuation Retirement Allowance.

(a) Any contributor who has reached superannuation retirement age may retire for superannuation by filing with the board a written statement duly signed by the contributor setting forth at what time he desires to be retired. The application shall retire the contributor at the time so specified.

(b) On retirement for superannuation, a retiree shall receive a retirement allowance which shall consist of: **(i)** a member's annuity which shall be the actuarial equivalent of his accumulated deductions standing to his credits in the members' annuity reserve account, and **(ii)** a county annuity equal to one-one hundred twentieth of his final salary multiplied by each year of total service, and, in addition thereto in the case of an original member, one-one hundred twentieth of his final salary multiplied by each year of prior service. At any time the board by rule may, by increasing the county annuity, authorize the payment of a minimum retirement allowance of one hundred (100) dollars per month to every beneficiary who shall thereby retire for superannuation after twenty (20) years service.

(c) Whenever the board has by rule authorized the members of the retirement system to transfer from the one-one hundred twentieth (1-120) class to the one-one hundredth (1-100) class, or whenever the board shall hereafter by rule authorize the

transfer to the one-eightieth (1-80) class, to the one-seventieth (1-70) class or the one-sixtieth (1-60) class, the county annuity shall be calculated as follows:

(1) For service prior to the time of transfer, at the one-one hundred twentieth (1-120) rate, the one-one hundredth (1-100) rate, the one-eightieth (1-80) rate, the one-seventieth (1-70) rate or the one-sixtieth (1-60) rate as the case may be.

(2) For service subsequent to the time of transfer to the time of retirement, or the time of subsequent transfer, at the rate applicable during such period.

(3) For all service prior to the time of commencing contribution, as the time member contributions were made at the one-one hundred twentieth (1-120) rate bears to the total time of contribution and as the time member contributions were made at any other rate herein provided for bears to the total time of contribution.

(14 amended Dec. 20, 1983, P.L. 282, No. 175)

Section 14.1. Special Early Retirement.

(a) If authorized by resolution of the commissioners or by council in counties having an optional form of government or by commissioners or council in counties having a home rule charter and approved by the retirement board, a special early retirement provision may be adopted for active members of the county employees' retirement system. The resolution shall state the terms and conditions of the early retirement and shall provide an election period which explicitly states the effective beginning and ending dates not be less than sixty (60) days nor more than one hundred twenty (120) days, with a seven (7) day revocation period after the active member's initial election. The election period must be followed immediately by the special early retirement period which is not to exceed twelve (12) months.

(b) To be eligible for special early retirement, a member must meet the specified requirements established in the provision at the time of retirement during the special early retirement period. Minimum eligibility for special early retirement cannot be less than attainment of fifty-five (55) years of age and ten (10) years of credited service or thirty (30) years of credited service with no age requirement. A member who is eligible for the special early retirement shall be credited with additional full years of service as stated in the resolution equal to no less than ten (10) percent nor more than thirty (30) percent of credited service, the result then rounded to the next full year, at the current designated county class base.

(c) The increase in actuarial accrued liability attributable to the special early retirement provision shall be determined by the actuary of the board and shall be amortized by level dollar amortization payments over the fifth retirement system year occurring after the end of the early retirement period.

(d) No more than one special early retirement provisions can be authorized within a five (5) year period.

(14.1 added July 7, 1994, P.L. 437, No. 71)

Section 15. Options on Superannuation Retirement.

At the time of his superannuation retirement, any retiree may elect to receive either his retirement allowance payable throughout life, or to receive the full amount of the accumulated deductions standing to his individual credit in the members' annuity reserve account at the time of his voluntary or involuntary retirement, or he may in any

event elect to receive the actuarial equivalent of his member's and county annuity in a lesser retirement allowance payable throughout life with provisions that:

(1) Option One. If he dies before receiving in payments the present value of his member's annuity and the county annuity as it was at the time of his retirement, the balance shall be paid to legal representative or to a person or persons 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 or any time thereafter.

(2) Option Two. Upon his death his member's annuity and county annuity shall be continued through 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.

(3) Option Three. Upon his death one-half of his member's and county annuity 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.

Should a retiree, who has not elected to receive in one payment the full amount of the accumulated deductions standing to his individual credit in the members' annuity reserve account at the time of his retirement pursuant to section 15.1, select a retirement allowance payable throughout his life and fail to receive payments at least equal to his accumulated deductions as of the date of retirement, an amount equal to the balance of his accumulated deductions shall be paid to his legal representative or to a person having an insurable interest in his life, as he shall nominate by written designation filed with the board.

(15 amended July 3, 1985, P.L. 132, No. 35)

Section 15.1. Option to Withdraw Accumulated Deductions and Accumulated Interest.

If authorized by action of the board as an option for its members, any member of the county retirement system who is eligible to retire and receive a superannuation retirement allowance, an involuntary retirement allowance or a voluntary retirement allowance after twenty (20) years of service may elect to receive in one payment, the full amount of the accumulated deductions and accumulated interest thereon standing to his credit in the members' annuity reserve account at the time of his retirement. Any member who makes such an election shall forfeit the member's annuity portion of his retirement allowance but shall continue to be entitled to the county annuity portion upon retirement if he is otherwise so entitled. Any member who exercises the option provided for in this section may elect to receive his county annuity payable throughout life or to receive the actuarial equivalent of his county annuity in a lesser retirement allowance payable throughout life with provisions that:

(1) Option One. If the member dies before receiving in payments the present value of his county annuity and the county annuity as it was at the time of his retirement, the balance shall be paid to legal representative or to a person or persons 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 or any time thereafter.

(2) Option Two. Upon the member's death, his county annuity shall be continued through 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.

(3) Option Three. Upon the member's death, one-half of his county annuity 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.

(15.1 added July 3, 1985, P.L. 132, No. 35)

Section 16. Involuntary Retirement Allowance; Voluntary Retirement Allowance after Twenty (20) Years of Service.

(a) Should a contributor be discontinued from service not voluntarily, or an elected county officer complete his term of office and discontinue service after having completed eight (8) years of total service, or voluntarily after completed twenty (20) years of total service but before reaching superannuation retirement age, except as herein provided for certain contributors who have completed twenty (20) years of total service, he shall be paid as he may elect, as follows:

(1) The full amount of the accumulated deduction standing to his credit in the members' annuity reserve account; or

(2) A members' annuity of equivalent actuarial value to his annuity reserve account, and, in addition, a county annuity which is the actuarial equivalent of a county annuity beginning at superannuation retirement age but based on the period of service up to the date of discontinuance from service and not on the period of service required to reach superannuation retirement age. The same options shall be available to retirees in case of involuntary retirement as provided herein in the case of superannuation retirement. In the event a contributor, after having completed eight (8) or more years of total service, heretofore has or hereafter shall be discontinued from service because of appointment or election to the General Assembly of the Commonwealth or to a position incompatible with his service as a county employee or officer and such employee or officer has not reached the superannuation retirement age, such withdrawal shall be considered involuntary; the accumulated deductions and the contributions of the county, at the option of the employee or officer, shall remain in the fund until superannuation age has been reached. In the event a refund of accumulated contributions has been made and the county's accumulated contributions have been withdrawn under the above circumstances, the employee or officer shall be permitted to repay into and the county shall be required to reimburse the fund the amounts paid out, with interest to the date of repayment, thereby reestablishing the rights of the contributor in said fund even though superannuation retirement age has been reached and benefits shall be paid as if the original severance had been involuntary.

(b) Any contributor who has completed twenty (20) years of total service and who has reached the superannuation retirement age shall be entitled to the superannuation retirement allowance provided in section 14.

(16 amended Nov. 21, 1990, P.L. 551, No. 136)

Section 17. Retirement as of Time of Death.

Any contributor who would be entitled to a retirement allowance because of being involuntarily retired after having completed ten (10) years of total service, or by reason of

having reached superannuation retirement age may file with the 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 Option One or Option Two provided in section 15 and nominating a beneficiary under the option.

In all such cases, the application shall be held by the board until the contributor shall file a later application in the usual manner for retirement, or until the death of the contributor occurring while in county service at which time his retirement shall become effective with the same benefits to the designated beneficiary as if the contributor had retired on the day of death.

Section 18. Retirement While in County Service.

Any contributor who is or was entitled to a retirement allowance because of being involuntarily retired after having completed ten (10) years of total service or by reason of having reached superannuation retirement age and who shall die while in county service before filing with the board a written application for retirement, or has died and whose payments into the fund have not been withdrawn, shall be considered as having elected Option One as of the date of his death. In such event, payment under Option One shall be made to the beneficiary designated in the nomination of beneficiary form on file with the board. If the beneficiary has predeceased the contributor, payment under Option One shall be made to the legal representative of the contributor.

Section 19. Additional Retirement Benefits.

In addition to the retirement allowance, the board may grant to retired employees insurance or other similar benefits that the county has granted to other county employees.

Section 20. Total Disability Retirement Allowance.

If a contributor after five (5) years of service as a county employee and before reaching superannuation retirement age is disabled while in service and is unable to continue as a county employee, as shown by medical examination, he shall be paid a retirement allowance consisting of a county annuity of twenty five (25) percent of his final salary which shall include the member's annuity calculated in accordance with section 14.

Section 21. Payment of Balances Where Disability Annuitant Dies.

Should a person receiving a disability retirement allowance die before receiving total payments equal to the amount standing to his credit in the members' annuity reserve account at the time of retirement, there shall be paid to his estate or beneficiary the difference between such credit and the total payments received.

Section 22. Monthly Payments of Retirement Allowances.

The retirement allowances granted under the provisions of this act shall be paid in equal monthly installments and shall not be increased, decreased, revoked or repealed, except as otherwise provided in this act. This section shall not be construed to prohibit the board from granting to retired employees insurance or other similar benefits granted to other county employees.

Section 23. Refunds.

(a) Where a contributor terminates service before qualifying for a retirement allowance or where a contributor has died before completing ten (10) years of total service, the amount standing to the credit of the contributor in the members' annuity reserve account shall be paid to him or his estate or to the person or persons named in any beneficiary certificate filed by the contributor with the board. When a contributor or a beneficiary has died and there shall be due to the estate of such contributor or beneficiary a sum less than one hundred (100) dollar, and letters testamentary or of administration have not been taken out on the estate of such contributor or beneficiary within six (6) months of death, the board may pay the amount due on the claim of the undertaker or to any person or persons or political subdivisions who or which shall have paid the claim of the undertaker.

(b) Where a contributor terminates service after completing eight (8) years of service, he may elect to have the board pay to him the amount standing to his credit in the members' annuity reserve account or, elect vesting and keep his accumulated deductions in the members' annuity reserve account and apply for retirement benefits upon reaching superannuation retirement age.

Section 24. Simultaneous Payments of Salary and Retirement Allowance.

Should a retiree be reemployed as a county employee, the retirement allowance of such person shall immediately cease. Such person shall thereupon be reinstated as a contributor; and, there shall be restored to his credit as accumulated deductions the actuarial value of his members' annuity computed as of the date of his reemployment. Should he refuse to surrender his right to retirement allowance as of the date of his reemployment, it shall be unlawful for the county to reemploy him. For the purposes of this section if a person serves as a juror, master, or arbitrator or is prohibited from being a member of the system by home rule charter, he shall not be deemed reemployed. If a retiree is reemployed on a part-time basis, the retirement allowance shall not cease, but shall be reduced by an amount equal to the amount of compensation received by the employee for service in excess of 1000 hours per year. Such reduction shall, however, not exceed the amount of the retirement allowance. A retiree reemployed on a part-time basis shall not be reinstated as a contributor and shall not receive additional service credit for retirement purposes.

(24 amended July 2, 1992, P.L. 382, No. 80)

Section 25. Subsequent Admissions to Retirement System.

Any county officer whose term of office began after the establishment of the retirement system and who did not become a member of the retirement system when his term of office began, shall be permitted to become a member of the retirement system at any time and shall receive a retirement allowance based upon service as a county employee rendered after such date of membership; however, if membership is consummated within one year from the beginning of such term of office and such sums as would have been deducted from his salary had he become a member at the time of the commencement of such term of office shall have been paid into the retirement system, he shall thereupon become entitled to all the rights and privileges in the retirement system as

would have been vested in him had he become a member and contributor at the time his term of office began.

Any county officer who has not become a member of the retirement system but who was employed as an elected officer prior to January first of the year that the retirement system was established and who held such office at the time that the retirement system was established and has continuously held such office, shall be permitted to become a member of the retirement system, shall be known as an original member, and shall receive full credit for each year of service rendered by him thereafter, if such county officer shall contribute to the fund the amount which he would have contributed if he had become a member of the retirement system when it was established, in which event, the county shall contribute to his credit in the fund the amount it would have contributed if he had become a member of the retirement system when it was established; and, he shall thereupon become entitled to all the rights and privileges in the retirement system as would have vested in him had he become a member and contributor at the time the retirement system was established.

Section 26. Reinstatement on Return to County Employment.

Any contributor separated from county employment by dismissal, resignation, or any other reason, except retirement, or any county officer having legally withdrawn from the retirement system, who returns to county employment and restores to the fund to the credit of the members' annuity reserve account his accumulated deductions as they were at the time of separation, shall have the annuity rights forfeited by him restored. Payments may be made either in a lump sum or by installments; but, in no event shall the installments be less than sufficient to pay such amount by the time the member attains superannuation retirement age.

Section 27. Exemption from Taxation and Execution, Etc.

The right to a members' annuity, or a count annuity, or to the return of contributions, shall be exempt from any State or municipal tax and from levy, sale, garnishment, attachment or any other purpose whatsoever and shall be unassignable, except for any indebtedness due the county or the institution district arising out of embezzlement or fraudulent conversion by a member of the fund against the respective county or the institution district of which the same member is employed.

Section 28. Fraud; Correction of Errors.

Any person who shall knowingly make any false statement, or shall falsify or permit to be falsified, any record or records of the retirement system herein established in any attempt to defraud such system, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine not exceeding one thousand (1,000) dollars, or undergo imprisonment not exceeding one (1) year, or both.

Should any such change in records fraudulently made, or any mistake in records inadvertently made, result in any contributor or beneficiary receiving more or less than he would have been entitled to had the records been correct, on the discovery of the error, the board shall correct the error, and shall adjust the payments which shall be made to the contributor or annuitant in such manner that the actuarial equivalent of the benefit to which he was correctly entitled shall be paid.

Section 29. Designation of Deposit Administrator.

The board shall be permitted to contract with any insurance company which has qualified and is authorized by the Insurance Department of the Commonwealth of Pennsylvania to transact business in the Commonwealth of Pennsylvania, or with any bank, savings and loan association or trust company approved by the Department of Banking of the Commonwealth of Pennsylvania, or with any investment advisor registered pursuant to the Federal Investment Advisers Act of 1940 (54 Stat. 789) which is registered as an investment adviser by the Pennsylvania Securities Commission and which agrees to conduct itself in accordance with 20 Pa.C.S. Ch. 73 (relating to fiduciaries investments) to be designated as a deposit administrator. The deposit administrator may be given the power to administer the funds in its entirety, including the power to receive and invest all moneys deposited in the fund and such other powers as are vested in the board. In addition to the options provided in the act upon retirement, disability withdrawal or death of a contributor, the deposit administrator, if an insurance company, may provide additional options to the contributors or beneficiaries.

(29 amended Nov. 23, 1982, P.L. 691, No. 198)

Section 30. Supplemental Benefits.

(a) Every member who is in receipt of a county annuity shall receive annually a cost-of-living increase which shall be the product of the retirement allowance determined at the time of retirement less any withdrawal of a members' annuity under section 15.1 of this act and prior to optional modification or minimum allowance and the following percentages as determined by the calendar year in which retirement became effective:

Year of Retirement	Percentage Factor	Year of Retirement	Percentage Factor
1938	136%	1953	23%
1939	135%	1954	23%
1940	134%	1955	22%
1941	122%	1956	20%
1942	100%	1957	16%
1943	89%	1958	14%
1944	86%	1959	12%
1945	82%	1960	10%
1946	68%	1961	9%
1947	47%	1962	8%
1948	37%	1963	7%
1949	37%	1964	6%
1950	36%	1965	4%
1951	26%	1966	1%
1952	24%		

(b) The cost-of-living increase shall be reviewed at least once in every three (3) years by the board which may adjust the percentages in accordance with cost-of-living index at the time of review.

(30 amended July 18, 1986, P.L. 1410, No. 126)

Section 31. Saving Clause.

(a) This act shall not impair or affect any act done, offense committed, or right accruing, accrued, or acquired, or liability, duty, obligation, penalty, judgment or punishment incurred under the provisions of any prior act providing for the creation, maintenance and operation of a county employees' retirement system.

(b) The provisions of all acts which are repealed by this act shall be considered as remaining continuously in force so far as concerns all rights vested and accrued, and liabilities, duties and obligations incurred under such provisions before the effective date of this act.

Section 32. Repeals.

The following acts and parts of acts are repealed absolutely:

(1) The act of June 4, 1937 (P.L. 1625), entitled "An act providing for the creation, maintenance and operation of a county employees' retirement system in counties of the third class, and imposing certain charges on counties."

(2) The act of July 8, 1941 (P.L. 298), known as the "Fourth Class County Retirement Law."

(3) The act of August 5, 1941 (P.L. 803), entitled, as amended, "An act providing for the creation, maintenance and operation of a county employees' retirement system in counties of the fifth, sixth, seventh, and eighth class; imposing certain charges on counties, and prescribing penalties."

(4) Section 1717, act of July 28, 1953 (P.L. 723), known as the "Second Class County Code."

Section 33. Effective Date.

This act shall take effect immediately.