

PART III. MUNICIPAL RETIREMENT BOARD

Chap.		Sec.
81.	GENERAL PROVISIONS	81.1
83.	MUNICIPAL EMPLOYES	83.1
85.	[Reserved]	85.1
87.	[Reserved]	87.1
91.	SPECIAL RULES OF ADMINISTRATIVE PRACTICE AND PROCEDURE	91.1

Authority

The provisions of this Part III issued under section 104(10) of the Pennsylvania Municipal Retirement Law (53 P. S. § 881.104(10)), unless otherwise noted.

Source

The provisions of this Part III adopted December 6, 1974, effective December 7, 1974, 4 Pa.B. 2485; amended January 2, 1976, effective January 3, 1976, 6 Pa.B. 8, unless otherwise noted.

CHAPTER 81. GENERAL PROVISIONS

Sec.	
81.1.	Definitions.
81.2.	Applicability of regulations.
81.3.	General powers of the Board.
81.4.	Actuarial investigation, tables and rates.
81.5.	[Reserved].
81.6.	[Reserved].
81.7.	Retirement funds and accounts.
81.8.	[Reserved].
81.9.	Management and investment of Fund; interest credits.
81.10.	Withdrawal provisions.
81.11.	Contract provisions.
81.12.	[Reserved].
81.13.	[Reserved].
81.14.	[Reserved].
81.15.	[Reserved].

§ 81.1. Definitions.

The following words and terms, when used in this part, have the following meanings, unless the context clearly indicates otherwise:

Accumulated deductions—The total amount deducted from the salary or compensation of the contributor plus regular interest credited thereon, based on a benefit plan selected and as determined by an actuary, and shall also include payments for arrearages for reinstatement or purchase of service, as otherwise permitted by law.

Active member—A municipal employe, municipal firefighter or municipal police officer who is earning credited service in a System pension plan as a result of employment with a municipality that has enrolled in the System.

Actuarially equivalent—Annuities or lump sum amounts of equal present value determined by appropriate actuarial factors based on mortality tables and interest rates currently adopted and used by the Board.

Beneficiary—A person last designated in writing by a contributor or a retired member, or if one is not so designated, the estate of the member or next of kin under 20 Pa.C.S. § 3101 (relating to payments to family and funeral directors), to the extent applicable.

Board—The Pennsylvania Municipal Retirement Board required by the law to administer the System.

Contributor—The term includes a member who has a member's account with the System, regardless of whether the account contains accumulated deductions.

Date of termination of service—

(i) For an active member, the last day of employment in a status covered by the eligibility requirements of the pension plan.

(ii) For an inactive member, the date on which formal action is taken by the employer to separate the member from employment.

Effective date of disability retirement—The date following the last day for which compensation was paid or the date on which the member filed an effective application for disability benefits, whichever is later.

Inactive member—A municipal employe, municipal firefighter or municipal police officer who is enrolled in the System but is no longer earning credited service in a System pension plan as a result of separation from or leave from employment.

Law—The Pennsylvania Municipal Retirement Law (53 P. S. §§ 881.101—881.502).

Optional membership—Shall be available to those categories of employes authorized by law, resolution or ordinance to elect or refrain from electing membership.

(i) If they choose not to join, the declination of membership shall apply for the period of time the employe serves continuously in that optional category.

(ii) If there is a break in service and the employe returns, the member may not be permitted to purchase optional membership time previously declined, but may be a member for future optional service, if the employe so chooses.

(iii) If the employe returns to service when there is mandatory membership, the member shall be required to join the plan, on a prospective basis only.

Portability—The condition by which a member leaves the employ of a System administered plan and within 1 year of the date of termination of service enters into the employ of another System administered plan and the member elects to transfer his previously accrued service credits to the new employer, subject to provision of municipalities' contracts.

Prior service—This may not apply to municipal employes or officers who are returning to service in those municipalities which had optional plans in which the member chose not to enroll. The term includes service to the municipality prior to the effective date of the plan unless the municipality elects to limit credit for the service.

Regular interest—The rate fixed by the Board, on the basis of earnings on investments and, as applied to members' contributions, means interest compounded annually to be calculated as follows: The sum of the accumulated deductions at the conclusion of the previous year and the mean balance of the current year's contributions multiplied by the regular interest amount then in existence for the fractional part of a year for which the contributor was a member.

Retired member—A former municipal employe, municipal firefighter or municipal police officer, or the beneficiary or survivor annuitant of a municipal employe, municipal firefighter or municipal police officer who is entitled to a monthly benefit payment from the retired member's reserve account of the System.

System—The Pennsylvania Municipal Retirement System created by the law.

Vested member—A member after a stipulated age or with sufficient years of service, or both, based on the plan in which the member is enrolled, who has terminated municipal service and has elected to leave total accumulated deductions in the Fund and to defer receipt of an annuity representing both the member's and municipal benefits, provided the election is made within 90 days after the effective date of termination of service.

Source

The provisions of this § 81.1 amended June 23, 2000, effective June 24, 2000, 30 Pa.B. 3168. Immediately preceding text appears at serial pages (260159) to (260161).

§ 81.2. Applicability of regulations.

This chapter and Chapters 83 and 91 (relating to municipal employes) shall be equally applicable under all articles of the law.

Source

The provisions of this § 81.2 adopted June 23, 2000, effective June 24, 2000, 30 Pa.B. 3168.

§ 81.3. General powers of the Board.

The Board will act as an independent administrative board with all of the powers specified in section 104 of the law (53 P. S. § 881.104).

Source

The provisions of this § 81.3 amended June 23, 2000, effective June 24, 2000, 30 Pa.B. 3168. Immediately preceding text appears at serial page (260162).

§ 81.4. Actuarial investigation, tables and rates.

(a) Board adopted actuarial assumptions and tables shall be a part of and applied consistently to all System administered plans.

(b) In the preparation of actuarial studies intended to be used for the possible enrollment of plans into the System, the same actuarial assumptions and tables shall be used as are applied to existing, enrolled plans.

Source

The provisions of this § 81.4 amended June 23, 2000, effective June 24, 2000, 30 Pa.B. 3168. Immediately preceding text appears at serial page (260162).

§ 81.5. [Reserved].**Source**

The provisions of this § 81.5 reserved June 23, 2000, effective June 24, 2000, 30 Pa.B. 3168. Immediately preceding text appears at serial page (260162).

§ 81.6. [Reserved].**Source**

The provisions of this § 81.6 reserved June 23, 2000, effective June 24, 2000, 30 Pa.B. 3168. Immediately preceding text appears at serial page (260162).

§ 81.7. Retirement funds and accounts.

(a) The Board will consolidate for investment purposes the assets of the various plans. The Board will account separately for each plan's assets in a municipal account and each individual active member, inactive member and vested member's assets in a member's account. The Board maintains pooled accounts for retired members (the Retired Members' Reserve Account) and for the funding of disability benefits (the disability reserve).

(b) When a municipality withdraws the administration of its plan from the System, the municipality shall only be entitled to the assets credited to the plan's municipal account and the plan's members' accounts in accordance with the provisions of the law. Assets that are actuarially determined by the Board's actuary to be matched to a withdrawing plan's retired members as of the effective date of withdrawal will also be returned to the plan in accordance with the law provided there are sufficient funds in the retired member's reserve account to meet the actuarially determined liability of all retired members of the System, as of the date of withdrawal; otherwise payment shall be on a prorated basis.

Source

The provisions of this § 81.7 amended June 23, 2000, effective June 24, 2000, 30 Pa.B. 3168. Immediately preceding text appears at serial page (260163).

§ 81.8. [Reserved].

§ 81.9. Management and investment of Fund; interest credits.

(a) The Board will have the exclusive responsibility to manage the Fund with full power to invest the moneys therein, subject to the terms, conditions, limitations and restrictions imposed by law upon fiduciaries. The assets of the Fund shall be held in trust. No part of the assets of the Fund will be used for or diverted to purposes other than for the exclusive benefit of the members, their spouses or the member's beneficiaries prior to the satisfaction of all liabilities of the Fund with respect to them, provided that the Fund shall be used to pay reasonable administrative expenses of the System.

(b) The Board may take action necessary and appropriate to facilitate the purchase, sale and custody of Fund assets.

Source

The provisions of this § 81.9 amended June 23, 2000, effective June 24, 2000, 30 Pa.B. 3168. Immediately preceding text appears at serial page (260163).

§ 81.10. Withdrawal provisions.

(a) A plan withdrawal by a municipality shall comply with section 412 of the law (53 P. S. § 881.412).

(b) A plan withdrawing from the System that has retired members shall provide to the Board as a part of the withdrawal application an acknowledgment of the plan sponsor to assume responsibility for the providing of all future benefit payments for the existing retired members and beneficiaries effective with the withdrawal.

(c) Prior to the Board's approval of a withdrawal under section 412 of the law, the Board may require:

(1) The withdrawing municipality to enter into a written agreement with the Board which would terminate its contractual relationship with the Board and fix the respective rights of the parties.

(2) The withdrawing municipality to obtain individual waivers or releases from affected members, who will no longer be eligible for benefits from the System for service rendered to the withdrawing municipality.

(d) The term “municipal employe” for the purpose of plan withdrawal shall include active member, inactive member, vested member and retired member.

Source

The provisions of this § 81.10 amended June 23, 2000, effective June 24, 2000, 30 Pa.B. 3168. Immediately preceding text appears at serial page (260163).

§ 81.11. Contract provisions.

(a) Plans enrolling or improving plan benefits under Article IV of the law (53 P.S. §§ 81.401—81.413) may not provide benefits in excess of or provide for member contribution rates less than those available to a municipality or a municipality’s class of employes under existing law, including laws applicable to the establishment of pension plans.

(b) Plan improvements shall be determined on a total plan basis and not on a benefit-by-benefit comparison nor on an individual-by-individual comparison. An individual’s accrued benefit may not be diminished by the implementation of an improved benefit plan contract.

Source

The provisions of this § 81.11 adopted June 23, 2000, effective June 24, 2000, 30 Pa.B. 3168.

§ 81.12. [Reserved].

Source

The provisions of this § 81.12 reserved June 23, 2000, effective June 24, 2000, 30 Pa.B. 3168. Immediately preceding text appears at serial pages (260163) to (260164).

§ 81.13. [Reserved].

Source

The provisions of this § 81.13 reserved June 23, 2000, effective June 24, 2000, 30 Pa.B. 3168. Immediately preceding text appears at serial page (260164).

§ 81.14. [Reserved].

Source

The provisions of this § 81.14 reserved June 23, 2000, effective June 24, 2000, 30 Pa.B. 3168. Immediately preceding text appears at serial page (260164).

§ 81.15. [Reserved].

[Next page is 83-1.]