

PART II. AUDITOR GENERAL

Subpart **Chap.**
A. POLICE AND FIREMEN **501**
B. UNIVERSITY STUDENTS **511**
C. AUDITS OF STATE-AIDED INSTITUTIONS **521**

Subpart A. POLICE AND FIREMEN

Chap. **Sec.**
501. PENSION FUNDS **501.1**

CHAPTER 501. PENSION FUNDS

Sec.
501.1. Change of insurance carriers.
501.2. Availability of documents for inspection.
501.3. Bonding requirements.

Authority

The provisions of this Chapter 501 issued under The Fiscal Code (72 P. S. §§ 1—1867), unless otherwise noted.

Source

The provisions of this Chapter 501 adopted July 1, 1969, unless otherwise noted.

§ 501.1. Change of insurance carriers.

The following procedure shall be followed before changing insurance plans of pension funds of police or firemen supported in whole or in part from payments to municipalities by this Commonwealth:

- (1) Before any change is made in insurance carriers for any pension plan of police or firemen, written notice of intention to change carriers shall be given to the Department of the Auditor General of the Commonwealth, Bureau of Firemen’s Relief Fund Audits, and Police Pension Fund Audits.
- (2) The notice required by paragraph (1) shall contain a certification from the actuary of the proposed new insurance carrier declaring that he has reviewed the existing insurance plan and that in his professional opinion the change in plans shall not result in an overall monetary loss or disadvantage to the fund.
- (3) A copy of the actuarial study shall be submitted with the certification.
- (4) If the new plan may result in a monetary loss to the pension fund, the Department of the Auditor General shall receive a complete summary of the proposed insurance plan clearly indicating advantages of the change sufficient to justify any immediate monetary loss.

(5) No change should be made in insurance plans before the Department of the Auditor General has been afforded an opportunity to review the certification and the proposed new plan.

(6) Failure to adhere to the regulations of this section may result in the withholding from the municipality its share of the appropriate state allocation by the Department of the Auditor General.

§ 501.2. Availability of documents for inspection.

All pension annuity contracts, documents of receipts and expenditures, investment portfolio and other pertinent documents shall be available for annual inspection by the auditors of the Department of the Auditor General.

§ 501.3. Bonding requirements.

(a) If a treasurer of the particular municipality acts also as treasurer for the pension fund of the police or firemen, no additional bond shall be required, if he is bonded in accordance with law.

(b) If a person, other than the municipal treasurer, acts as the treasurer of the pension fund of the police or firemen, he shall before entering upon the duties of his office, give bond, conditioned for the faithful performance of his duties to the extent required by the local governing municipal body.

[Next page is 511-1.]