

**PART IV. PUBLIC EMPLOYEE  
RETIREMENT COMMISSION**

Chap.		Sec.
201.	<b>GENERAL PROVISIONS</b> .....	201.1
203.	<b>ACTUARIAL AND FINANCIAL REPORTS ON MUNICIPAL EMPLOYEE PENSION SYSTEMS</b> .....	203.1
204	<b>ACTUARIAL FUNDING STANDARD</b> .....	204.1
205.	<b>RECOVERY PROGRAM FOR MUNICIPAL PENSION SYSTEMS</b> .....	205.1
207.	<b>CERTIFICATION OF MUNICIPAL PENSION COSTS</b> .....	207.1
209.	<b>APPEAL PROCEDURE</b> .....	209.1
211.	<b>REPORTS ON ACTUARIAL INVESTIGATIONS UNDER ACT 293 OF 1972</b> .....	211.1

**Authority**

The provisions of this Part IV issued under the Municipal Pension Plan Funding Standard and Recovery Act (53 P. S. §§ 895.101—895.803), unless otherwise noted.

**Source**

The provisions of this Part IV adopted December 18, 1987, effective December 19, 1987, 17 Pa.B. 5234, unless otherwise noted.

**CHAPTER 201. GENERAL PROVISIONS**

Sec.	
201.1.	Purpose.
201.2.	Definitions.

**Authority**

The provisions of this Chapter 201 issued under the Municipal Pension Plan Funding Standard and Recovery Act (53 P. S. §§ 895.101—895.803), unless otherwise noted.

**Source**

The provisions of this Chapter 201 adopted December 18, 1987, effective December 19, 1987, 17 Pa.B. 5234, unless otherwise noted.

**§ 201.1. Purpose.**

This part implements the Municipal Pension Plan Funding Standard and Recovery Act (53 P. S. §§ 895.101—895.803).

**§ 201.2. Definitions.**

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

*Act*—The Municipal Pension Plan Funding Standard and Recovery Act (53 P. S. §§ 895.101—895.803).

*Amortization contribution requirement*—A dollar value that represents the aggregate annual payment or credit toward the unfunded accrued liability and is determined under section 302(b)(3) of the act (53 P. S. § 895.302(b)(3)).

*Ancillary benefit*—An aspect of the benefit plan other than either the retirement benefit or the provisions of the benefit plan directly related to or directly affecting the retirement benefit.

*Commission*—The Public Employee Retirement Study Commission of the Commonwealth.

*Distress determination*—The calculation of the relative degree of financial distress existing for a municipal pension system in a given year under the procedure specified in Chapter 5 of the act (53 P. S. §§ 895.501—895.504).

*Election form*—An individual form—PC-204D, Act 205 Recovery Program Election Form—provided by the Commission for completion by municipalities electing to participate in the recovery program for financially distressed municipal pension systems established in Chapter 6 of the act (53 P. S. §§ 895.601—895.609).

*Employer normal cost*—The normal cost of a pension plan calculated under section 302 of the act (53 P. S. § 895.302) less the amount of member contributions anticipated receivable for the following year.

*Firefighter*—A municipal employe who holds a position or an office in the fire department of a municipality and has retirement coverage provided by the firefighters' pension plan.

*Funding adjustment*—A dollar value that, in the case of a defined benefit plan self-insured in whole or in part, is equal to one-tenth of the amount by which the actuarial value of assets exceeds the actuarial accrued liability. In the case of a defined benefit plan insured in whole by an insurance carrier, the funding adjustment is equal to the amount of cash assets available for the payment of future insurance premiums.

*Letter of intent*—A letter filed with the Commission by a municipality disclosing the municipality's intention to participate in the recovery program and requesting a distress determination to establish the level of the recovery program applicable to the municipality.

*Municipality*—A city, borough, incorporated town, township, home rule municipality, association of municipalities cooperating under the act of July 12, 1972 (P. L. 762, No. 180), referred to as the Intergovernmental Cooperation Law, or authority established by the actions of a county, city, borough, town or township or jointly by these political subdivisions.

*Nonuniformed employe*—A municipal employe other than a police officer or firefighter.

*Pension plan or system*—The various aspects of the relationship between a municipality and its employes with respect to the retirement coverage provided by a municipality to the employes. The term does not include a plan, program or arrangement that is funded solely by municipal employe earnings or com-

pensation reported as municipal employe earnings or compensation to the Internal Revenue Service on the Form W-2 Wage and Tax Statement or established under sections 8.1—8.3 of the act of March 30, 1811 (P. L. 145, 5 Sm.L. 228) (72 P. S. §§ 4521.1—4521.3) or section 408 of the Internal Revenue Code (26 U.S.C.A. § 408).

*Police officer*—A municipal employe who holds a position or an office in the police department of a municipality and has retirement coverage provided by the police pension plan.

*Recovery program*—The remedial program for financially distressed municipal pension systems established in Chapter 6 of the act (53 P. S. §§ 895.601—895.609).

*Regional or joint pension plan*—A pension plan established and maintained by two or more municipalities cooperating under the act of July 12, 1972 (P. L. 762, No. 180), referred to as the Intergovernmental Cooperation Law.

*Reporting form*—The individual form supplied by the Commission and distributed to municipalities for use in the preparation and submission of actuarial valuation reports under Chapter 2 of the act (53 P. S. §§ 895.201—895.208).

#### **Authority**

The provisions of this § 201.2 amended under section 609 of the Municipal Pension Plan Funding Standard and Recovery Act (53 P. S. § 895.609).

#### **Source**

The provisions of this § 201.2 adopted December 18, 1987, effective December 19, 1987, 17 Pa.B. 5234; amended August 26, 1988, effective August 27, 1988, 18 Pa.B. 3805. Immediately preceding text appears at serial pages (123157) to (123159).

[Next page is 203-1.]

201-4

(260188) No. 301 Dec. 99

*Copyright © 1999 Commonwealth of Pennsylvania*