

Purpose: To formalize the procedure used by the Pennsylvania Municipal Retirement Board (the “Board”) to provide redress to any Member who is improperly excluded from a cash balance plan within the Pennsylvania Municipal Retirement System (the “System”).

Authority The Pennsylvania Municipal Retirement Law (the Law), Act 15 of 1974, Section 104.

The Board recognizes that there may be instances in which a Member is improperly excluded from participation in a municipality’s cash balance plan despite being eligible to participate in such plan. By adopting this policy, the Board is creating a standardized procedure for municipalities to provide permissible redress to such Members.

Policy Upon determining that a Member was improperly excluded from participation in such cash balance plan, the municipality in which the Member is actively employed shall make the following contributions on the Participant’s behalf:

1. The full amount of any required employee contributions, plus applicable interest, that would have been made had the Member’s deferral election been correctly applied upon first attaining eligibility,
2. The full amount of the required employer contributions, plus applicable interest, that would have been made on behalf of the Member had the Member’s deferral election been correctly applied upon first attaining eligibility, and
3. An amount equal to 50% of the optional contributions, plus applicable interest, the Member would have been permitted to make had the Member’s deferral election been correctly applied upon first attaining eligibility.
 - Optional contributions will not be enforced for the first 90 days due to administrative feasibility.

Such contributions must be made as soon as administratively practicable.

Effective

Date: This policy is to be effective immediately.
March 18, 2021

Adoption

Date: Adopted at the March 18, 2021 meeting of the Pennsylvania Municipal Retirement Board.
March 18, 2021

Doug Baker, Assistant Secretary

