



HB 546/Act 125 of 2013

On Wednesday, February 12, 2014 an extraordinary event occurred in the Gold Room of the Allegheny County Courthouse - Governor Corbett's ceremonial signing of HB 546/Act 125 of 2013.

This event marked the successful completion of years of hard work by the Retirement Board, PA Legislature and many others and resulted in four historic reforms to the Allegheny County Employees' Retirement System.

HB 546/Act 125 makes the following changes to benefits for County employees hired on or after February 21, 2014.

1. Eliminates overtime compensation in excess of 10% of base pay from the pension calculation;
2. Changes the final pay formula to the highest 48 months of the final 8 years of service;
3. Increases vesting from 8 years to 10 years; and
4. Reduces the annual benefit accrual to 2.0% which increases the length of service required to receive an unreduced retirement allowance.

Combined, these changes are projected to reduce the Plan's unfunded liability \$1.113 billion over a 50-year period. Furthermore, these changes help sustain a fiscally sound retirement system, so that every member of the plan can anticipate that the benefit they've earned will be there throughout their retirement.

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