

AMENDMENT NO. 1 TO THE PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM BASE PLAN DOCUMENT

The Pennsylvania Municipal Retirement System (“PMRS”) hereby adopts this amendment (“Amendment No. 1”) to the Pennsylvania Municipal Retirement System Base Plan Document as approved by the Internal Revenue Service (“IRS”) effective as of March 30, 2018 (the “Base Plan”). Amendment No. 1 is adopted by the Pennsylvania Municipal Retirement Board of Trustees (the “Board”) pursuant to Article XVI of the Base Plan and shall serve as an amendment to the Plan of each Municipality.

The purpose of Amendment No. 1, effective as of July 1, 2025, is to reflect the operational changes PMRS has incorporated in light of the passage the Setting Every Community Up for Retirement Enhancement Act of 2019 (Pub. L. No. 116-94) (“SECURE 1.0”) and the Setting Every Community Up for Retirement Enhancement Act of 2022 (Pub. L. No. 117-328) (“SECURE 2.0”), Internal Revenue Service guidance and Treasury Regulations promulgated thereunder, and current PMRS practices.

1. The definition of “Cash Balance Interest Crediting Rate” as set forth in the “Definitions” Section 1.21 of the Base Plan is hereby amended by adding the following sentence at the end thereof:

“For Cash Balance Interest Credit Periods after the termination of a Plan shall be equal to the average of the Cash Balance Interest Credit Rates used under such Plan during the 5-year period ending on the date of Plan termination as required under Treasury Reg. §1.411(b)(5)-1(e)(2)(ii).

Notwithstanding the foregoing, effective as of July 1, 2025, the Regular Interest rate applicable to a Member’s Hypothetical Account Balance may be set at any reasonable variable interest rate not to exceed 6% provided there is a reasonable projection of projected returns subject to a maximum of 6 percent.”

2. The definition of “Disabled” as set forth in the “Definitions” Section 1.26 of the Base Plan is hereby amended to read:

Disability or Disabled means, upon certification by the Board, a Member who by illness or injury is permanently (or potentially permanently) unable to perform the material and substantial duties of any occupation for which he/she is reasonably qualified by education, training, or experience, that would maintain his/her pre-disability standard of living.

3. Section 5.04 of the Base Plan is hereby amended by adding a new sentence at the end of the last paragraph to read as follows:

“Notwithstanding the foregoing, effective as of July 1, 2025, the amount ‘\$5,000’ shall be replaced with the amount ‘\$7,000’ with respect to lump sum payment and the automatic direct rollover described in of this paragraph.”

4. Section 8.04(c)(1) and (d)(1) of the Base Plan are hereby amended by adding a new sentence at the end of thereof to read as follows:

“Notwithstanding the foregoing, effective as of July 1, 2025, the amount ‘\$5,000’ shall be replaced with the amount ‘\$7,000’ with respect to lump sum payment and the automatic direct rollover described in of this paragraph.”

5. Section 10.04(b)(i) of the Base Plan is hereby amended to read as follows:

“(i) the calendar year in which the Member attains age 70 ½ if before 2020, or (ii) the calendar year in which the Member attains age 72 if the Member attained age 70.5 from 2020 to 2022, or (iii) the calendar year in which the Member attained age 73 for all Members who attain age 72 from 2023 to 2034, or (iv) the calendar year in which the Member attained age 75 beginning 2035.”

6. Section 10.05 of the Base Plan is hereby amended by adding a new sentence at the end thereof to read as follows:

“Notwithstanding the foregoing, effective as of July 1, 2025, a Municipality may elect in its Adoption Agreement to permit In-service Distributions at attainment of Superannuation Retirement Age as defined in Section 5.01 of the Adoption Agreement.”

7. A Municipality may elect to allow full-time police officers who have satisfied vesting requirements the option to purchase up to five years of pension service credit for prior military service, or part-time or full-time police service rendered in a police department in accordance with Pennsylvania Act 49 of 2024 (53 Pa.C.S. §9121, et seq.), provided the officer is not entitled to receive credit for the same service in another pension fund nor is he entitled to purchase any service exceeding 5 years.
8. Capitalized terms as used herein shall have the meanings attributed to them in the Base Plan unless usage clearly indicates otherwise.