

COMPLIANCE AUDIT

City of Bethlehem Officers' and Employees' PMRS Pension Plan Northampton County, Pennsylvania For the Period January 1, 2016 to December 31, 2017

November 2018



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

The Honorable Mayor and City Council
City of Bethlehem
Northampton County
Bethlehem, PA 18018

We have conducted a compliance audit of the City of Bethlehem Officers' and Employees' - PMRS Pension Plan for the period January 1, 2016 to December 31, 2017. We also evaluated compliance with some requirements subsequent to that period when possible. The audit was conducted pursuant to authority derived from Section 402(j) of Act 205 and in accordance with the standards applicable to performance audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our finding and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objectives.

The objectives of the audit were:

1. To determine if municipal officials took appropriate corrective action to address the finding contained in our prior audit report; and
2. To determine if the pension plan was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies.

Our audit was limited to the areas related to the objectives identified above. To determine if municipal officials took appropriate corrective action to address the finding contained in our prior audit report, we inquired of plan officials and evaluated supporting documentation provided by officials evidencing that the suggested corrective action has been appropriately taken. To determine whether the pension plan was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies, our methodology included the following:

- We determined whether state aid was properly determined and deposited in accordance with Act 205 requirements by verifying the annual deposit date of state aid and determining whether deposits were made within 30 days of receipt for all years within the period under audit.

- We determined whether annual employer contributions were calculated and deposited in accordance with the plan's governing document and applicable laws and regulations by examining the municipality's calculation of the plan's annual financial requirements and minimum municipal obligation (MMO) and comparing these calculated amounts to amounts actually budgeted and deposited into the pension plan as evidenced by supporting documentation.
- We determined whether annual employee contributions were calculated, deducted, and deposited into the pension plan in accordance with the plan's governing document and applicable laws and regulations by testing total members' contributions on an annual basis using the rates obtained from the plan's governing document in effect for all years within the period under audit and examining documents evidencing the deposit of these employee contributions into the pension plan.
- We determined whether retirement benefits calculated for 12 of 38 plan members¹ who retired during the current audit period, and through the completion of our fieldwork procedures, represent payments to all (and only) those entitled to receive them and were properly determined and disbursed in accordance with the plan's governing document, applicable laws and regulations by recalculating the amount of the monthly pension benefit due to the retired individuals and comparing these amounts to supporting documentation evidencing amounts determined and actually paid to the recipients. We also determined whether retirement benefits calculated for both of the plan members who elected to vest during the current audit period, represent payments to all (and only) those entitled to receive them and were properly determined in accordance with the plan's governing document, applicable laws and regulations by recalculating the amount of the pension benefit due to the retired individuals and comparing these amounts to supporting documentation evidencing amounts determined.
- We determined whether the January 1, 2013, January 1, 2015 and January 1, 2017 actuarial valuation reports were prepared and submitted by March 31, 2014, 2016 and 2018, respectively, in accordance with Act 205 and whether selected information provided on these reports is accurate, complete, and in accordance with plan provisions to ensure compliance for participation in the state aid program by comparing selected information to supporting source documentation.
- We determined whether the terms of the contractual agreement with the Pennsylvania Municipal Retirement System were in accordance with the plan's governing document, if separately stated, and applicable laws and regulations by comparing the terms of the contractual agreement with the plan's governing document, if separately stated, and applicable laws and regulations.

¹ We selected plan members randomly from the population of plan members who retired during the current audit period in order to obtain a representative selection for the purpose of our testing to achieve the audit objective. While representative selection is a required factor of audit sampling methodologies, audit sampling methodology was not applied to achieve this test objective; accordingly, the results of this audit procedure are not, and should not be, projected to the population.

The City of Bethlehem Officers' and Employees' - PMRS Pension Plan participates in the Pennsylvania Municipal Retirement System (PMRS), which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a separate Comprehensive Annual Financial Report, copies of which are available from the PMRS accounting office. PMRS's financial statements were not audited by us and, accordingly, we express no opinion or other form of assurance on them.

City officials are responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the City of Bethlehem Officers' and Employees' - PMRS Pension Plan is administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies. In conducting our audit, we obtained an understanding of the city's internal controls as they relate to the city's compliance with those requirements and that we considered to be significant within the context of our audit objectives, and assessed whether those significant controls were properly designed and implemented. Additionally and as previously described, we tested transactions, assessed official actions, performed analytical procedures, and interviewed selected officials to provide reasonable assurance of detecting instances of noncompliance with legal and regulatory requirements or noncompliance with provisions of contracts, administrative procedures, and local ordinances and policies that are significant within the context of the audit objectives.

The results of our procedures indicated that, in all significant respects, the City of Bethlehem Officers' and Employees' - PMRS Pension Plan was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies, except as noted in the following findings further discussed later in this report:


Finding No. 1 – Noncompliance With Prior Audit Recommendation – Incorrect Data On Certification Form AG 385 Resulting In A Net Overpayment Of State Aid

Finding No. 2 – Failure To Implement Professional Services Contract Provisions Of Act 205

The accompanying supplementary information is presented for purposes of additional analysis. We did not audit the information or conclude on it and, accordingly, express no form of assurance on it.

The contents of this report were discussed with officials of the City of Bethlehem and, where appropriate, their responses have been included in the report. We would like to thank city officials for the cooperation extended to us during the conduct of the audit.

November 8, 2018


EUGENE A. DEPASQUALE
Auditor General

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BACKGROUND

On December 18, 1984, the Pennsylvania Legislature adopted the Municipal Pension Plan Funding Standard and Recovery Act (P.L. 1005, No. 205, as amended, 53 P.S. § 895.101 et seq.). The act established mandatory actuarial reporting and funding requirements and a uniform basis for the distribution of state aid to Pennsylvania's public pension plans. Section 402(j) of Act 205 specifically requires the Auditor General, as deemed necessary, to make an audit of every municipality which receives general municipal pension system state aid and of every municipal pension plan and fund in which general municipal pension system state aid is deposited.

Annual state aid allocations are provided from a 2 percent foreign (out-of-state) casualty insurance premium tax, a portion of the foreign (out-of-state) fire insurance tax designated for paid firefighters and any investment income earned on the collection of these taxes. Generally, municipal pension plans established prior to December 18, 1984, are eligible for state aid. For municipal pension plans established after that date, the sponsoring municipality must fund the plan for three plan years before it becomes eligible for state aid. In accordance with Act 205, a municipality's annual state aid allocation cannot exceed its actual pension costs.

In addition to Act 205, the City of Bethlehem Officers' and Employees' - PMRS Pension Plan is also governed by implementing regulations adopted by the former Public Employee Retirement Commission published at Title 16, Part IV of the Pennsylvania Code and applicable provisions of various other state statutes including, but not limited to, the following:

Act 15 - Pennsylvania Municipal Retirement Law, Act of February 1, 1974
(P.L. 34, No. 15), as amended, 53 P.S. § 881.101 et seq.

The City of Bethlehem Officers' and Employees' - PMRS Pension Plan is a single-employer defined benefit pension plan for non-uniformed employees hired after August 1, 1978, locally controlled by the provisions of Ordinance No. 2014-4, adopted pursuant to Act 15. The plan is also affected by the provisions of collective bargaining agreements between the city and its non-uniformed employees. Active members are required to contribute 7.5 percent of compensation to the plan. As of December 31, 2017, the plan had 322 active members, 9 terminated members eligible for vested benefits in the future and 343 retirees receiving benefits.

BACKGROUND – (Continued)

As of December 31, 2017, selected plan benefit provisions are as follows:

Eligibility Requirements:

Normal Retirement	Available upon attainment of age 55 if hired prior to October 4, 2013. Available upon attainment of age 62 if hired on or after October 4, 2013.
Early Retirement	A voluntary early retirement is available after 20 years of service. An involuntary early retirement is available after 8 years of service.
Vesting	A member is 100% vested after 12 years of service.

Retirement Benefit:

Benefit equals 2.0% times credited service times Final Average Salary (FAS). FAS based upon final 5 years annualized salary. In no event shall benefit exceed 80% of the Members' Final Salary for members' hired prior to October 4, 2013 or 65% of the Members' Final Salary for members hired on or after October 4, 2013.

Survivor Benefit:

If eligible to retire at the time of death, beneficiary receives present value of accrued benefit. At retirement, member may select a survivor benefit.

Disability Benefit:

Service Related	A 50% disability benefit is provided to a member who is unable to perform gainful employment regardless of age or service, offset by available Workers' Compensation benefits.
Non-service Related	A 30% disability benefit is provided to a member who has at least 10 years of service and who is unable to perform gainful employment.

CITY OF BETHLEHEM OFFICERS' AND EMPLOYEES' - PMRS PENSION PLAN
STATUS OF PRIOR FINDING

Noncompliance With Prior Audit Recommendation

The City of Bethlehem has not complied with the prior audit recommendation concerning the following:

- Incorrect Data On Certification Form AG 385 Resulting In An Underpayment Of State Aid

Although the city was reimbursed for the underpayment of state aid due to the city's prior certification errors, municipal officials again failed to comply with the instructions that accompany Certification Form AG 385 to assist them in accurately reporting the required pension data, as further discussed in Finding No. 1 contained in this report.

CITY OF BETHLEHEM OFFICERS’ AND EMPLOYEES’ - PMRS PENSION PLAN
FINDINGS AND RECOMMENDATIONS

Finding No. 1 – Noncompliance With Prior Audit Recommendation – Incorrect Data On Certification Form AG 385 Resulting In A Net Overpayment Of State Aid

Condition: As disclosed in the Status of Prior Finding section of this report, although the city was reimbursed for the underpayment of state aid due to the city’s prior certification errors, the city again failed to comply with the instructions that accompanied Certification Form AG 385. During the current audit period, the city failed to certify an eligible non-uniformed employee (1 unit) participating in the officers’ and employees’ – PMRS plan on the Certification Form AG 385 filed in 2017. In addition, subsequent to the current period, the city also certified an ineligible police officer (2 units) and an additional ineligible non-uniformed employee (1 unit) participating in the officers’ and employees’ – PMRS plan on the Certification Form AG 385 filed in 2018. The data contained on these certification forms is based on prior calendar year information.

Criteria: As previously disclosed in the prior audit report, pursuant to Section 402(e)(2) of Act 205, in order to be eligible for certification, an employee must have been employed on a full-time basis for at least six consecutive months and must have been participating in a pension plan during the certification year.

Cause: Plan officials again failed to establish adequate internal control procedures to ensure the accuracy of the data certified and compliance with our prior audit recommendation.

Effect: The data submitted on these certification forms is used, in part, to calculate the state aid due to the municipality for distribution to its pension plans. Because the city’s state aid allocations were based on unit value, the incorrect certification of pension data affected the city’s state aid allocations, as identified below:

<u>Year</u>	<u>Type Of Plan</u>	<u>Units Overstated (Understated)</u>	<u>Unit Value</u>	<u>State Aid Overpayment (Underpayment)</u>
2017	O&E – PMRS	(1)	\$ 4,588	\$ (4,588)
2018	Police	2	4,684	9,368
	O&E – PMRS	1	4,684	4,684
			Net Overpayment of State Aid	<u>\$ 9,464</u>

CITY OF BETHLEHEM OFFICERS' AND EMPLOYEES' - PMRS PENSION PLAN
FINDINGS AND RECOMMENDATIONS

Finding No. 1 – (Continued)

Recommendation: We recommend that the net overpayment of state aid, in the amount of \$9,464, plus interest, be returned to the Commonwealth. A check in this amount, with interest compounded annually from date of receipt to date of repayment, at a rate earned by the pension plan, should be made payable to: Commonwealth of Pennsylvania and mailed to: Department of the Auditor General, Municipal Pension & Fire Relief Programs Unit, 321 Finance Building, Harrisburg, PA 17120. A copy of the interest calculation must be submitted along with the check.

We also again recommend that in the future, plan officials establish adequate internal control procedures, such as having at least 2 people review the data certified, to ensure compliance with the instructions that accompany Certification Form AG 385 to assist them in accurately reporting the required pension data.

Management's Response: Municipal officials agreed with the finding without exception.

Auditor's Conclusion: The city's compliance with the finding recommendation will be monitored subsequent to the release of the audit report and through our next audit of the plan.

Finding No. 2 – Failure To Implement Professional Services Contract Provisions Of Act 205

Condition: Municipal officials have not adopted the mandatory provisions regarding professional services contracts under Act 205. During the prior audit, a verbal observation was issued to plan officials notifying them of the passage of Act 44 of 2009 which amended Act 205, and recommending that the city adopt the mandatory Act 44 provisions. However, as of the date of this report, the city has not adopted these mandatory provisions.

Criteria: Section 701-A of Act 205, as amended by Act 44 of 2009, defines a "Professional Services Contract", as follows:

"Professional services contract." A contract to which the municipal pension system is a party that is:

- (1) for the purchase or provision of professional services, including investment services, legal services, real estate services and other consulting services; and
- (2) not subject to a requirement that the lowest bid be accepted.

CITY OF BETHLEHEM OFFICERS' AND EMPLOYEES' - PMRS PENSION PLAN
FINDINGS AND RECOMMENDATIONS

Finding No. 2 – (Continued)

In addition, Section 702-A (a) of Act 205 states in part:

Each municipal pension system ... shall develop procedures to select the most qualified person to enter into a professional services contract. The procedures shall ensure that the availability of a professional services contract is advertised to potential participants in a timely and efficient manner. Procedures shall include applications and disclosure forms to be used to submit a proposal for review and to receive the award of a professional services contract.

Additionally, Section 702-A (c), (e), (f) and (h) state, in part:

Review. Procedures to select the most qualified person shall include a review of the person's qualifications, experience and expertise and the compensation to be charged.

Conflict of interest – The municipal pension system shall adopt policies relating to potential conflicts of interest in the review of a proposal or the negotiation of a contract.

Public information. Following the award of a professional services contract, all applications and disclosure forms shall be public except for proprietary information or other information protected by law.

Notice and summary. The relevant factors that resulted in the award of the professional services contract must be summarized in a written statement to be included in or attached to the documents awarding the contract. Within ten days of the award of the professional services contract, the original application, a summary of the basis for the award and all required disclosure forms must be transmitted to all unsuccessful applications and posted on the municipal pension system's Internet website, if an Internet website is maintained, at least seven days prior to the execution of the professional services contract.

Upon advertisement for a professional services contract by the municipal pension system, the contractor may not cause or agree to allow a third party to communicate with officials or employees of the municipal pension system except for requests for technical clarification.

Cause: Plan officials failed to establish adequate internal controls procedures to ensure compliance with the provisions of Act 205 and our prior recommendation.

CITY OF BETHLEHEM OFFICERS' AND EMPLOYEES' - PMRS PENSION PLAN
FINDINGS AND RECOMMENDATIONS

Finding No. 2 – (Continued)

Effect: The failure to implement and follow the provisions stipulated in Act 205 regarding the procurement of professional investment and advisory services for the city's pension plan could result in a general lack of overall transparency of the actions taken by plan officials relative to the awarding of contracts for investment and advisory services for the city's pension plans.

Recommendation: We recommend that municipal officials obtain a comprehensive understanding of Act 205 and develop and implement procedures for the procurement of professional services for the city's pension plans to ensure compliance with provisions stipulated in Act 205.

Management Response: Municipal officials agreed with the finding without exception.

Auditor Conclusion: Compliance will be evaluated during our next audit of the plan.

CITY OF BETHLEHEM OFFICERS' AND EMPLOYEES' - PMRS PENSION PLAN
SUPPLEMENTARY INFORMATION
(UNAUDITED)

The supplementary information contained on Pages 8 and 9 reflects the implementation of GASB Statement No. 67, *Financial Reporting for Pension Plans*. The objective of this statement is to improve financial reporting by state and local governmental pension plans.

SCHEDULE OF CHANGES IN THE NET PENSION
LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED DECEMBER 31, 2014, 2015, AND 2016

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Pension Liability			
Service cost	\$ 2,788,823	\$ 2,610,686	\$ 2,561,288
Interest (includes interest on service costs)	6,983,880	7,143,983	7,409,285
Difference between expected and actual experience	425,849	-	1,849,458
Change of assumptions	-	2,482,253	3,737,933
Transfers	408,927	8,868	1,242
Benefit payments, including refunds of member contributions	<u>(7,143,060)</u>	<u>(7,502,216)</u>	<u>(7,233,675)</u>
Net Change in Total Pension Liability	3,464,419	4,743,574	8,325,531
Total Pension Liability – Beginning	<u>127,512,815</u>	<u>130,977,234</u>	<u>135,720,808</u>
	<u>\$ 130,977,234</u>	<u>\$ 135,720,808</u>	<u>\$ 144,046,339</u>
 Plan Fiduciary Net Position			
Contributions – employer*	\$ 28,582,658	\$ 1,104,706	\$ 1,164,619
Contributions – PMRS assessment	-	13,420	13,380
Contributions – employee	1,625,488	1,539,086	1,657,679
PMRS investment income	5,619,786	6,905,072	7,190,240
Market value investment income	(1,138,006)	(6,896,911)	3,238,546
Transfers	408,927	8,868	1,242
Benefit payments, including refunds of member contributions	(7,143,060)	(7,502,216)	(7,233,675)
PMRS Administrative expense	(13,640)	(13,420)	(12,980)
Additional Administrative expense	<u>(215,521)</u>	<u>(287,858)</u>	<u>(352,258)</u>
Net Change in Plan Fiduciary Net Position	27,726,632	(5,129,253)	5,666,793
Plan Fiduciary Net Position – Beginning	<u>99,264,574</u>	<u>126,991,206</u>	<u>121,861,953</u>
Plan Fiduciary Net Position – Ending (b)	<u>\$ 126,991,206</u>	<u>\$ 121,861,953</u>	<u>\$ 127,528,746</u>
 Net Pension Liability – Ending (a-b)	<u>\$ 3,986,028</u>	<u>\$ 13,858,855</u>	<u>\$ 16,517,593</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.96%	89.79%	88.53%
 Estimated Covered Employee Payroll	\$ 21,678,896	\$ 20,428,871	\$ 22,036,333
 Net Pension Liability as a Percentage of Covered Employee Payroll	18.39%	67.84%	74.96%

* 2014 contributions reflects the deposit of bond proceeds in the net amount of \$27,410,549 on November 25, 2014 and 2015 and 2016 employer contributions includes actuarial surplus used for administrative expenses of \$540 and \$400, respectively.

CITY OF BETHLEHEM OFFICERS' AND EMPLOYEES' - PMRS PENSION PLAN
 SUPPLEMENTARY INFORMATION
 (UNAUDITED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the city as of December 31, 2014 and 2015, calculated using the discount rate of 5.5%, as well as what the city's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	<u>1% Decrease (4.5%)</u>	<u>Current Discount Rate (5.5%)</u>	<u>1% Increase (6.5%)</u>
Net Pension Liability – 12/31/14	\$ 18,746,931	\$ 3,986,028	\$ (8,612,051)
Net Pension Liability – 12/31/15	\$ 9,343,396	\$ 13,858,855	\$ 722,889

In addition, the following presents the net pension liability of the city as of December 31, 2016, calculated using the discount rate of 5.25%, as well as what the city's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	<u>1% Decrease (4.25%)</u>	<u>Current Discount Rate (5.25%)</u>	<u>1% Increase (6.25%)</u>
Net Pension Liability – 12/31/16	\$ 33,122,381	\$ 16,517,593	\$ 2,436,636

CITY OF BETHLEHEM OFFICERS' AND EMPLOYEES' - PMRS PENSION PLAN
 SUPPLEMENTARY INFORMATION
 (UNAUDITED)

SCHEDULE OF FUNDING PROGRESS

Historical trend information about the plan is presented herewith as supplementary information. It is intended to help users assess the plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other state and local government retirement systems.

The actuarial information is required by Act 205 biennially. The historical information, beginning as of January 1, 2013, is as follows:

	(1)	(2)	(3)	(4)
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded (Assets in Excess of) Actuarial Accrued Liability (b) - (a)	Funded Ratio (a)/(b)
01-01-13	\$ 97,155,951	\$ 124,566,500	\$ 27,410,549	78.0%
01-01-15	130,321,063	130,977,234	656,171	99.5%
01-01-17	137,900,792	144,046,339	6,145,547	95.7%

Note: The 01-01-15 actuarial value of assets reflects the deposit of bond proceeds in the net amount of \$27,410,549 on November 25, 2014. The Actuarial Accrued Liability as of 01-01-17 reflects increases in the plan's liabilities due to the reduction in the interest rate assumption as well as demographic losses and other plan changes made in 2017.

CITY OF BETHLEHEM OFFICERS' AND EMPLOYEES' - PMRS PENSION PLAN
SUPPLEMENTARY INFORMATION
(UNAUDITED)

The comparability of trend information is affected by changes in actuarial assumptions, benefit provisions, actuarial funding methods, accounting policies, and other changes. Those changes usually affect trends in contribution requirements and in ratios that use the actuarial accrued liability as a factor.

Analysis of the dollar amount of the actuarial value of assets, actuarial accrued liability, and unfunded (assets in excess of) actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability (Column 4) provides one indication of the plan's funding status on a going-concern basis. Analysis of this percentage, over time, indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan.

CITY OF BETHLEHEM OFFICERS' AND EMPLOYEES' - PMRS PENSION PLAN
 SUPPLEMENTARY INFORMATION
 (UNAUDITED)

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER
 AND OTHER CONTRIBUTING ENTITIES

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2012	\$ 2,939,786	100.0%
2013	4,033,849	100.0%
2014	821,609	3,478.9%
2015	1,117,586	100.0%
2016	1,177,599	100.0%
2017	1,181,049	100.0%

CITY OF BETHLEHEM OFFICERS' AND EMPLOYEES' - PMRS PENSION PLAN
 SUPPLEMENTARY INFORMATION
 NOTES TO SUPPLEMENTARY SCHEDULES
 (UNAUDITED)

The information presented in the supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation date follows:

Actuarial valuation date	January 1, 2017
Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	9 years
Asset valuation method	The Actuarial Value of Assets equals the plan's member, municipal, DROP (if applicable) reserve accounts plus the retiree actuarial liability. This asset smoothing is based on the unique legislative structure of PMRS and the administrative rules adopted by the PMRS Board in conjunction with Pennsylvania Municipal Retirement Law, all of which are subject to comply with the Actuarial Standards of Practice No. 44, Selection and Use of Asset Valuation Methods when defining the actuarial Value of Assets.
Actuarial assumptions:	
Investment rate of return	5.25%, compounded annually, net of investment and administration expenses
Salary scale	Total rate (including inflation) (e.g. age 25 – 7.05%; age 35 – 4.55%; age 45 – 3.97%; age 55 – 3.44%; age 65 – 2.80%)
Cost-of-living adjustments	2.8% per year, subject to plan limitations

CITY OF BETHLEHEM OFFICERS' AND EMPLOYEES' - PMRS PENSION PLAN
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CITY OF BETHLEHEM OFFICERS' AND EMPLOYEES' - PMRS PENSION PLAN
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