



# BETHLEHEM AUTHORITY

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## INTEROFFICE MEMORANDUM

**Date:** September 9, 2021

**To:** Bethlehem Authority Board of Directors

**From:** Stephen Repasch, Executive Director

**Subject:** Bethlehem Authority Pension Plan #48-412-6N  
2022 Minimum Municipal Obligation – \$10,364

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Act 205 of 1984, as amended, governs the funding requirements for all municipal pension plans. The law requires the governing body to be informed of the plan's expected financial obligation for the upcoming year. This memo, provided under the guidance of the Pennsylvania Municipal Retirement System as plan administrator, is intended to satisfy the legal requirements of Act 205.

The calculation of the plan's 2022 Minimum Municipal Obligation (MMO), or cost, requires an estimate of the 2021 wages of the employees covered by the plan. This is indicated on the attached worksheet.

Please understand that the MMO is the Authority's 2022 bill for this plan. The calculated amount must be paid by December 31, 2022. It also must be paid for with general fund monies (authorities and counties are not eligible for State Pension Aid under Act 205).

The 2022 MMO of \$10,364 will be included in the Authority's 2022 budget.

Attachment: 2022 MMO Worksheet

**The Minimum Municipal Obligation Worksheet (MMO)**  
**For The**  
**Bethlehem Authority Pension Plan (48-032-8 N)**  
**For Plan Year 2022**

**CHARGES**

Estimated 2021 W-2 Payroll

For Covered Plan Members:

(A) 159,092

PMRS Determined Normal Cost

Expressed as a Decimal:

(B) .1004

RESULT: (A) \* (B) =

(C) 15,973

Administrative Charge (PMRS Determined)

# of Plan Members times \$20:

(D) 120.00

Amortization of Unfunded Liability  
(PMRS Determined)

(E) 0.00

TOTAL CHARGES: (C) + (D) + (E) =

(F) 16,093

**CREDITS**

Repeat Estimated 2021 W-2 Payroll

For Covered Plan Members:

(A) 159,092

Employee Contribution Rate

Expressed as a Decimal:

(G) .035

RESULT: (A) \* (G) =

(H) 5,568

Amortization of the Actuarial Surplus  
(PMRS Determined)

(I) 161.00

TOTAL CREDITS: (H) + (I) =

(J) 5,729

**MINIMUM MUNICIPAL OBLIGATION**

(Based on 1/1/2019 Actuarial Valuation)

(MMO) 10,364

Equals TOTAL CHARGES Minus

TOTAL CREDITS (F) - (J) = **(Please round numbers to dollars)**

Prepared By: Sandy M. Zarf (Name) [Signature] (Signature)  
Admin. Assistant (Title) (610) 865-2009 (Telephone #)

Please complete the above worksheet with your best estimates and return a copy to the Pennsylvania Municipal Retirement System by October 4. The official copy must be shared with the plan's governing board by the last business day in September.