
PENNSYLVANIA DEPARTMENT OF THE AUDITOR GENERAL



Pennsylvania Auditor General



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News for Immediate Release

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Auditor General DeFoor Urges City of Bradford to Catch Up on \$1.3 Million in Missed Pension Plan Payments

HARRISBURG – Auditor General Timothy L. DeFoor today urged the City of Bradford in McKean County to catch up on more than \$1.3 million in missed contributions to its employee pension plans, based on the findings of a new audit.

“State law requires municipalities to fully fund their employee retirement plans,” DeFoor said. “I’m concerned that an increasing number of audits are finding communities across the state have fallen behind on making their minimum pension plan payments.”

The City of Bradford Comprehensive Municipal Pension Trust Fund [audit](#) found the municipality did not fully pay the minimum municipal obligation (MMO) that was due to the police, non-uniformed, and firemen’s pension plans for the years 2019 and 2020, as required by Act 205.

The unpaid MMO balances, which total \$1,368,387 for the two-year period, are as follows:

- Police plan is owed \$447,697;
- Non-uniformed employee plan is owed \$488,268; and
- Firemen’s plan is owed \$432,422.

“It is essential for local governments to make all required payments so that pension plans can keep their promises to their dedicated employees,” DeFoor said, noting that municipalities that miss payments run the risk of having future state pension aid withheld – putting an extra burden on local taxpayers.

DeFoor again cautioned that federal COVID relief funds provided under the American Rescue Plan cannot be used to catch up on past pension debts, repeating a [warning](#) he issued in July.

The Department of the Auditor General audits municipal pension plans that receive state aid to ensure the plans are being administered in accordance with state law.

In 2020, a total of \$324.74 million in state pension aid was distributed to 1,483 municipalities and regional departments to support pension plans covering police officers, paid firefighters and non-uniformed employees. The funds are generated by a 2 percent tax on fire and casualty insurance policies sold in Pennsylvania by out-of-state companies.

Learn more about the Department of the Auditor General, review other municipal pension audits and [sign up](#) to receive notice of new audits at www.PaAuditor.gov.

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