

Pension Administration Bulletin – ACH and Wire Transfer Option Added

Previous PMRS Practice

The Pennsylvania Municipal Retirement System (PMRS) currently processes paper checks for thousands of municipalities' defined benefit and cash balance plan and fees annually. Due to challenges with slower mail delivery, lost checks, and bank processing, clearing paper checks can potentially take up to three months.

New PMRS Practice

In order to modernize and streamline the process, PMRS has added Automated Clearing House (ACH) and Wire Transfer as payment options for municipalities.

PMRS will continue to accept paper checks. We will begin accepting ACH and Wire Transfer transactions for this year's annual pension bill and any other municipal contributions. Instructions are attached to this bulletin.

Impact on Municipalities

Municipalities who opt-in to electronic payments will initiate ACH or Wire Transfer with their bank using the attached instructions. Municipalities will still need to complete the appropriate form (PMRB-20, PMRB-21, PMRB-1, PMRB-2, or PMRB-7) to accompany the payment and send to PMRS.

Benefits of ACH

- Accessibility – Municipalities will have electronic access to the status of the payment 24 hours a day, 7 days a week.
- Efficiency – ACH will save processing times and allow staff to focus time on other important tasks.
- Security – ACH is a secure transfer of funds from bank to bank.

What Will Not Change

- PMRS will continue to process paper checks.

Rationale for Current Practice

PMRS continues to modernize and streamline its processing and accounting systems. It is our intent to create a more efficient and seamless transaction between our agency and the municipalities and members we serve.