

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 1847 Session of
1999

INTRODUCED BY COY, SCHULER, GRUCELA, SOLOBAY, ROONEY, LAUGHLIN,
WOJNAROSKI, STABACK, MANN, CORRIGAN, SERAFINI, TRELLO,
YOUNGBLOOD, HARHAI, TRAVAGLIO AND STEELMAN,
SEPTEMBER 27, 1999

REFERRED TO COMMITTEE ON STATE GOVERNMENT, SEPTEMBER 27, 1999

AN ACT

1 Amending Title 71 (State Government) of the Pennsylvania
2 Consolidated Statutes, providing service credits for campus
3 police officers of universities of the State System of Higher
4 Education.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. The definitions of "class of service multiplier"
8 and "superannuation age" in section 5102 of Title 71 of the
9 Pennsylvania Consolidated Statutes, amended June 22, 1999
10 (P.L.75, No.12), are amended and the section is amended by
11 adding a definition to read:

12 § 5102. Definitions.

13 The following words and phrases as used in this part, unless
14 a different meaning is plainly required by the context, shall
15 have the following meanings:

16 * * *

17 "Campus police officer." An employee of a State System of
18 Higher Education university who is commissioned and trained as a

1 police officer according to section 2416 of the act of April 9,
2 1929 (P.L.177, No.175), known as The Administrative Code of
3 1929.

4 * * *

5 "Class of service multiplier."

6	Class of Service		Multiplier	
7	A		1	
8	B		.625	
9	C		1	
10	D		1.25	
11	D-1	prior to		
12		January 1, 1973	1.875	
13	D-1	on and		
14		subsequent to		
15		January 1, 1973	1.731	
16	D-2	prior to		
17		January 1, 1973	2.5	
18	D-2	on and		
19		subsequent to		
20		January 1, 1973	1.731	
21	D-3	prior to		
22		January 1, 1973	3.75	
23	D-3	on and		
24		subsequent to		
25		January 1, 1973	1.731	except prior to December
26				1, 1974 as applied to any
27				additional legislative
28				compensation as an officer
29				of the General Assembly
30				3.75

1	E, E-1 prior to		
2	January 1, 1973	2	for each of the first ten
3			years of judicial service,
4			and
5		1.5	for each subsequent year
6			of judicial service
7	E, E-1 on and		
8	subsequent to		
9	January 1, 1973	1.50	for each of the first
10			ten years of judicial
11			service and
12		1.125	for each subsequent year
13			of judicial service
14	E-2 prior to		
15	September 1, 1973	1.5	
16	E-2 on and		
17	subsequent to		
18	September 1, 1973	1.125	
19	G	0.417	
20	H	0.500	
21	I	0.625	
22	J	0.714	
23	K	0.834	
24	L	1.000	
25	M	1.100	
26	N	1.250	
27	<u>P</u>	<u>1</u>	
28	T-C (Public School	1	
29	Employees'		
30	Retirement Code)		

1 * * *

2 "Superannuation age." Any age upon accrual of 35 eligibility
3 points or age 60, except for a member of the General Assembly,
4 an enforcement officer, a correction officer, a psychiatric
5 security aide, a Delaware River Port Authority policeman, a
6 campus police officer or an officer of the Pennsylvania State
7 Police, age 50.

8 * * *

9 Section 2. Sections 5303(b), 5306 and 5308 of Title 71,
10 amended June 22, 1999 (P.L.75, No.12), are amended to read:
11 § 5303. Retention and reinstatement of service credits.

12 * * *

13 (b) Eligibility points for prospective credited service.--

14 (1) Every active member of the system or a multiple
15 service member who is a school employee and a member of the
16 Public School Employees' Retirement System on or after the
17 effective date of this part shall receive eligibility points
18 in accordance with section 5307 for current State service,
19 previous State service, or creditable nonstate service upon
20 compliance with sections 5501 (relating to regular member
21 contributions for current service), 5504 (relating to member
22 contributions for the purchase of credit for previous State
23 service or to become a full coverage member), 5505 (relating
24 to contributions for the purchase of credit for creditable
25 nonstate service), 5505.1 (relating to additional member
26 contributions) or 5506 (relating to incomplete payments). The
27 class or classes of service in which the member may be
28 credited for previous State service prior to the effective
29 date of this part shall be the class or classes in which he
30 was or could have at any time elected to be credited for such

1 service, provided however, that eligibility for Class P
2 credit shall be limited in accordance with section 5306
3 (relating to classes of service). The class of service in
4 which a member shall be credited for service subsequent to
5 the effective date of this part shall be determined in
6 accordance with section 5306 (relating to classes of
7 service).

8 (1.1) Every active member of the system who elects to
9 convert county service to State service pursuant to section
10 5303.1 (relating to election to convert county service to
11 State service) shall receive eligibility points in accordance
12 with section 5307 for converted county service upon
13 compliance with section 5303.1(b). The class or classes of
14 service in which the member may be credited for converted
15 county service shall be determined in accordance with section
16 5306(c).

17 (2) A special vestee or person otherwise eligible to be
18 a special vestee who returns to State service or withdraws
19 his accumulated deductions pursuant to section 5311 (relating
20 to eligibility for refunds) or 5701 (relating to return of
21 total accumulated deductions) shall receive or retain
22 eligibility points in accordance with paragraph (1) but upon
23 subsequent termination of State service shall only be
24 eligible to be an annuitant vestee or inactive member without
25 regard to previous status as a special vestee and without
26 regard to the provisions of this part providing for special
27 vestees.

28 (3) A special vestee or person otherwise eligible to be
29 a special vestee who becomes an active member of the Public
30 School Employees' Retirement System and elects multiple

1 service shall receive or retain eligibility points as
2 otherwise provided for in this part and 24 Pa.C.S. Pt. IV
3 (relating to retirement for school employees) but upon
4 subsequent termination of school service shall only be
5 eligible to be an annuitant, vestee or inactive member as
6 otherwise eligible as a multiple service member without
7 regard to previous status as a special vestee and without
8 regard to the provisions of this part providing for special
9 vestees.

10 * * *

11 § 5306. Classes of service.

12 (a) Class A membership.--A State employee, other than a
13 campus police officer, who is a member of Class A on the
14 effective date of this part or who becomes a member of the
15 system subsequent to the effective date of this part shall be
16 classified as a Class A member and receive credit for Class A
17 service upon payment of regular and additional member
18 contributions for Class A service.

19 (b) Other class membership.--

20 (1) A State employee who is a member of a class of
21 service other than Class A on the effective date of this part
22 shall retain his membership in that class until such service
23 is discontinued; any service other than service as a campus
24 police officer thereafter shall be credited as Class A
25 service.

26 (2) A campus police officer shall be classified as a
27 Class P member and any service performed as a campus police
28 officer on or after the effective date of this paragraph
29 shall be credited as Class P service, provided however, that
30 an active member or inactive member on leave without pay who

is campus police officer on the effective date of this paragraph, shall have all service as a campus police officer credited as Class P service, including service as a campus police officer previously credited as Class A service, and further provided that any service of a member that is credited as Class P service shall be credited as Class A service if the member is an officer of the Pennsylvania State Police on or after July 1, 1989.

(c) Class membership for county service.--Notwithstanding subsection (a), county service that is converted to State service pursuant to section 5303.1 (relating to election to convert county service to State service) shall be credited as the following class of service:

Class of service in a county of the second class A, third class, fourth class, fifth class, sixth class, seventh class or eighth class maintaining a retirement system or pension plan under the act of August 31, 1971 (P.L.398, No.96),

known as the County Pension Law	System Class of Service
Class 1-120	G
Class 1-100	H
Class 1-80	I
Class 1-70	J
Class 1-60	K

Rate of accrual of benefit for each year of service in a county of the first class or second class or

1 credited in the Pennsylvania
2 Municipal Retirement System

3 System Class of
4 Service

5 .833%	G
6 1.00%	H
7 1.250%	I
8 1.428%	J
9 1.667%	K
10 2.000%	L
11 2.200%	M
12 2.500%	N

13 § 5308. Eligibility for annuities.

14 (a) Superannuation annuity.--Attainment of superannuation
15 age by an active member or an inactive member on leave without
16 pay with three or more years of credited State or school service
17 shall entitle him to receive a superannuation annuity upon
18 termination of State service and compliance with section 5907(f)
19 (relating to rights and duties of State employees and members).

20 (b) Withdrawal annuity.--Any vestee or any active member or
21 inactive member on leave without pay who terminates State
22 service having ten or more eligibility points, or who has Class
23 G, Class H, Class I, Class J, Class K, Class L, Class M or Class
24 N service and terminates State service having eight or more
25 eligibility points, upon compliance with section 5907(f), (g) or
26 (h) shall be entitled to receive an annuity.

27 (c) Disability annuity.--An active member or inactive member
28 on leave without pay who has credit for at least five years of
29 service or any active member or inactive member on leave without
30 pay who is an officer of the Pennsylvania State Police, a campus

1 police officer or an enforcement officer shall, upon compliance
2 with section 5907(k), be entitled to a disability annuity if he
3 becomes mentally or physically incapable of continuing to
4 perform the duties for which he is employed and qualifies in
5 accordance with the provisions of section 5905(c)(1) (relating
6 to duties of the board regarding applications and elections of
7 members).

8 Section 3. Sections 5508, 5702 and 5902(k) of Title 71 are
9 amended to read:

10 § 5508. Actuarial cost method.

11 (a) Employer contribution rate on behalf of active
12 members.--The amount of the Commonwealth and other employer
13 contributions on behalf of all active members shall be computed
14 by the actuary as a percentage of the total compensation of all
15 active members during the period for which the amount is
16 determined and shall be so certified by the board. The total
17 employer contribution rate on behalf of all active members shall
18 consist of the employer normal contribution rate, as defined in
19 subsection (b), and the accrued liability contribution rate as
20 defined in subsection (c). The total employer contribution rate
21 shall be modified by the experience adjustment factor as
22 calculated in subsection (f) but in no case shall it be less
23 than zero.

24 (b) Employer normal contribution rate.--The employer normal
25 contribution rate shall be determined after each actuarial
26 valuation on the basis of an annual interest rate and such
27 mortality and other tables as shall be adopted by the board in
28 accordance with generally accepted actuarial principles. The
29 employer normal contribution rate shall be determined as a level
30 percentage of the compensation of the average new active member,

1 which percentage, if contributed on the basis of his prospective
2 compensation through his entire period of active State service,
3 would be sufficient to fund the liability for any prospective
4 benefit payable to him, except for the supplemental benefits
5 provided for in sections 5708 (relating to supplemental
6 annuities), 5708.1 (relating to additional supplemental
7 annuities), 5708.2 (relating to further additional supplemental
8 annuities) and 5708.3 (relating to supplemental annuities
9 commencing 1994), in excess of that portion funded by his
10 prospective member contributions.

11 (c) Accrued liability contribution rate.--For the fiscal
12 year beginning July 1, 1991, the accrued liability contribution
13 rate shall be computed as the rate of total compensation of all
14 active members which shall be certified by the actuary as
15 sufficient to fund over a period of 20 years from July 1, 1991,
16 the present value of the liabilities for all prospective
17 benefits, except for the supplemental benefits as provided in
18 sections 5708, 5708.1, 5708.2 and 5708.3, in excess of the total
19 assets in the fund (calculated recognizing all investment gains
20 and losses over a five-year period), excluding the balance in
21 the supplemental annuity account, and the present value of
22 employer normal contributions and of member contributions
23 payable with respect to all active members on July 1, 1991. The
24 amount of each annual accrued liability contribution shall be 5%
25 greater than the amount of such contribution for the previous
26 fiscal year, except that, if the accrued liability is increased
27 by legislation enacted subsequent to July 1, 1991, such
28 additional liability shall be funded over a period of 20 years
29 from the first day of July, coincident with or next following
30 the effective date of the increase, provided that the liability

1 for any additional benefits created by this act shall be funded
2 over a period of 20 years commencing July 1, 1992. The amount of
3 each annual accrued liability contribution for such additional
4 legislative liabilities shall be 5% greater than the amount of
5 such contribution for the previous fiscal year.

6 (d) Special provisions on calculating contributions.--In
7 calculating the contributions required by subsections (a), (b)
8 and (c), the active members of Class C shall be considered to be
9 members of Class A. In addition, the actuary shall determine the
10 Commonwealth or other employer contributions required for active
11 members of Class C and officers of the Pennsylvania State Police
12 and enforcement officers and investigators of the Pennsylvania
13 Liquor Control Board who are members of Class A to finance their
14 benefits in excess of those to which other members of Class A
15 are entitled. Such additional contributions shall be determined
16 separately for officers and employees of the Pennsylvania State
17 Police and for enforcement officers and investigators of the
18 Pennsylvania Liquor Control Board. Such contributions payable on
19 behalf of officers and employees of the Pennsylvania State
20 Police shall include the amounts received by the system under
21 the provisions of the act of May 12, 1943 (P.L.259, No.120),
22 referred to as the Foreign Casualty Insurance Premium Tax
23 Allocation Law, and on behalf of enforcement officers or
24 investigators of the Pennsylvania Liquor Control Board, the
25 amounts received by the system under the provisions of the act
26 of April 12, 1951 (P.L.90, No.21), known as the Liquor Code.

27 (e) Supplemental annuity contribution rate.--Contributions
28 from the Commonwealth required to provide for the payment of
29 supplemental annuities as provided in sections 5708, 5708.1 and
30 5708.2 shall be paid over a period of 20 years from July 1,

1 1991. The amount of each annual supplemental annuities
2 contribution shall be 5% greater than the amount of such
3 contribution for the previous fiscal year. In the event that
4 supplemental annuities are increased by legislation enacted
5 subsequent to July 1, 1991, the additional liability for the
6 increase in benefits shall be funded in annual installments
7 increasing by 5% each year over a period of 20 years from the
8 July first, coincident with or next following the effective date
9 of such legislation. Notwithstanding the preceding, the funding
10 for the supplemental annuities commencing 1994 provided for in
11 section 5708.3 shall be as provided in section 5708.3(f).

12 (f) Experience adjustment factor.--For each year after the
13 establishment of the accrued liability contribution rate for the
14 fiscal year beginning July 1, 1991, any increase or decrease in
15 the accrued liability, including liability for supplemental
16 annuities, due to actual experience differing from assumed
17 experience, changes in actuarial assumptions, changes in the
18 terms and conditions of the benefits provided by the system by
19 judicial, administrative or other processes other than
20 legislation, including, but not limited to, reinterpretation of
21 the provisions of this part, shall be amortized in annual
22 installments increasing by 5% each year over a period of 20
23 years beginning with the July 1 succeeding the actuarial
24 valuation.

25 (g) Determination of liability for special vestee.--
26 Notwithstanding any other provision of this part or other law,
27 the total additional accrued actuarial liability resulting from
28 eligibility of special vestees for benefits upon the attainment
29 of superannuation age shall be determined by the actuary as part
30 of the first annual valuation made after June 30, 1997. The

1 resulting additional accrued actuarial liability shall be paid
2 by The Pennsylvania State University to the board in one lump
3 sum payment within 90 days of the board's certification of the
4 amount to The Pennsylvania State University.

5 (h) Determination of liability for Class P service.--

6 Notwithstanding any other provision of this part or other law,
7 the total additional accrued actuarial liability resulting from
8 Class P service performed before the effective date of this
9 subsection shall be determined by the actuary as part of the
10 first annual valuation made after the effective date of this
11 subsection. The resulting additional accrued actuarial liability
12 shall be paid by the State System of Higher Education in annual
13 payments over a period of 20 years from the first day of July,
14 coincident with or next following the first valuation made after
15 the effective date of this subsection. The amount of each annual
16 accrued liability contribution for Class P service shall be 5%
17 greater than the amount of such contribution for the previous
18 fiscal year.

19 § 5702. Maximum single life annuity.

20 (a) General rule.--Any full coverage member who is eligible
21 to receive an annuity pursuant to the provisions of section
22 5308(a) or (b) (relating to eligibility for annuities) shall be
23 entitled to receive a maximum single life annuity attributable
24 to his credited service and equal to the sum of the following
25 single life annuities beginning at the effective date of
26 retirement:

27 (1) A standard single life annuity multiplied by the sum
28 of the products, determined separately for each class of
29 service, obtained by multiplying the appropriate class of
30 service multiplier by the ratio of years of service credited

1 in that class to the total credited service. In case the
2 member on the effective date of retirement is under
3 superannuation age for any service, a reduction factor
4 calculated to provide benefits actuarially equivalent to an
5 annuity starting at superannuation age shall be applied to
6 the product determined for that service. The class of service
7 multiplier for any period of concurrent service shall be
8 multiplied by the proportion of total State and school
9 compensation during such period attributable to State
10 service. In the event a member has two multipliers for one
11 class of service the class of service multiplier to be used
12 for calculating benefits for that class shall be the average
13 of the two multipliers weighted by the proportion of
14 compensation attributable to each multiplier during the three
15 years of highest annual compensation in that class of
16 service: Provided, That in the case of a member of Class E-1,
17 a portion but not all of whose three years of highest annual
18 judicial compensation is prior to January 1, 1973, two class
19 of service multipliers shall be calculated on the basis of
20 his entire judicial service, the one applying the judicial
21 class of service multipliers effective prior to January 1,
22 1973 and the second applying the class of service multipliers
23 effective subsequent to January 1, 1973. The average class of
24 service multiplier to be used for calculating benefits for
25 his judicial service shall be the average of the two
26 calculated multipliers weighted by the proportion of
27 compensation attributable to each of the calculated
28 multipliers during the three years of highest annual
29 compensation in that class of service: Further provided,
30 That in the case of a member who has 20 or more years of

Class P service, the standard single life annuity shall be calculated without including any years of Class P service credit and the member in addition shall receive a single life annuity equal to 50% of the member's final average salary if the member has 20 or more but less than 25 years of Class P service and a single life annuity of 75% of the member's final average salary if the member has 25 or more years of Class P service. Any single life annuity based upon 20 or more years of Class P service shall be unreduced in the event the member is under superannuation age.

(2) If eligible, a single life annuity of 2% of his average noncovered salary for each year of social security integration credit as provided for in section 5305 (relating to social security integration credits) multiplied, if on the effective date of retirement the member is under superannuation age for any service, by the actuarially determined reduction factor for that service.

(3) If eligible, a single life annuity which is actuarially equivalent to the regular and additional accumulated deductions attributable to contributions as a member of Class C, but not less than such annuity determined as if the member were age 60 on the effective date of retirement, actuarially reduced in the event the member is under superannuation age on the effective date of retirement.

(4) If eligible, a single life annuity which is actuarially equivalent to the amount by which his regular and additional accumulated deductions attributable to any credited service other than as a member of Class C are greater than one-half of the actuarially equivalent value on the effective date of retirement of the annuity as provided

1 in paragraph (1) attributable to service other than Class C
2 for which regular or joint coverage member contributions were
3 made.

4 (5) If eligible, a single life annuity which is
5 actuarially equivalent to the amount by which his social
6 security integration accumulated deductions are greater than
7 one-half of the actuarially equivalent value on the effective
8 date of retirement of the annuity provided for under
9 paragraph (2).

10 (6) If eligible, a single life annuity sufficient
11 together with the annuity provided for in paragraph (1) as a
12 Class A and Class P member and the highest annuity provided
13 for in paragraph (2) to which he is entitled, or at his
14 option could have been entitled, to produce that percentage
15 of a standard single life annuity on the effective date of
16 retirement as determined by his total years of credited
17 service as a member of Class A and Class P, treating Class P
18 service as Class A service, and by the following table:

Total Years of Credited Service as a Member of Class A <u>and Class P</u>	Percentage of Standard Single Life Annuity
35-40	100%
41	102%
42	104%
43	106%
44	108%
45 or more	110%

29 (b) Present value of annuity.--The present value of the
30 maximum single life annuity as calculated in accordance with

1 subsection (a) of this section shall be determined by
2 multiplying the maximum single life annuity by the cost of a
3 dollar annuity on the effective date of retirement. Such present
4 value shall be decreased only as required under the provisions
5 of section 5506 (relating to incomplete payments), 5509(c)
6 (relating to appropriations and assessments by the Commonwealth)
7 or 5703 (relating to reduction of annuities on account of social
8 security old-age insurance benefits).

9 (c) Limitation on amount of annuity.--The annuity paid to a
10 member under subsection (a) and reduced in accordance with the
11 option elected under section 5705 (relating to member's options)
12 shall not exceed the highest compensation received during any
13 period of twelve consecutive months of credited service:
14 Provided, That the portion of any annuity paid to a member on
15 account of Class D-3 service under subsection (a)(1) and reduced
16 in accordance with the option elected under section 5705 shall
17 not exceed the greater of \$12,000 or his highest annual
18 compensation as a member of the General Assembly. No limit shall
19 be applied in the case of a member who served as a
20 constitutional officer of the General Assembly prior to January
21 1, 1973.

22 § 5902. Administrative duties of the board.

23 * * *

24 (k) Certification of employer contributions.--The board
25 shall, each year in addition to the itemized budget required
26 under section 5509 (relating to appropriations and assessments
27 by the Commonwealth), certify, as a percentage of the members'
28 payroll, the employers' contributions as determined pursuant to
29 section 5508 (relating to actuarial cost method) necessary for
30 the funding of prospective annuities for active members and the

1 annuities of annuitants and certify the rates and amounts of the
2 employers' normal contributions as determined pursuant to
3 section 5508(b), accrued liability contributions as determined
4 pursuant to section 5508(c) and 5508(h), supplemental annuities
5 contribution rate as determined pursuant to section 5508(e) and
6 the experience adjustment factor as determined pursuant to
7 section 5508(f), which shall be paid to the fund and credited to
8 the appropriate accounts. These certifications shall be regarded
9 as final and not subject to modification by the Budget
10 Secretary.

11 * * *

12 Section 4. Section 5903 of Title 71, amended June 22, 1999
13 (P.L.75, No.12), is amended to read:

14 § 5903. Duties of the board to advise and report to heads of
15 departments and members.

16 (a) Manual of regulations.--The board shall, with the advice
17 of the Attorney General and the actuary, prepare and provide,
18 within 90 days of the effective date of this part, a manual
19 incorporating rules and regulations consistent with the
20 provisions of this part to the heads of departments who shall
21 make the information contained therein available to the general
22 membership. The board shall thereafter advise the heads of
23 departments within 90 days of any changes in such rules and
24 regulations due to changes in the law or due to changes in
25 administrative policies. As soon as practicable after the
26 commissioner's announcement with respect thereto, the board
27 shall also advise the heads of departments as to any cost-of-
28 living adjustment for the succeeding calendar year in the amount
29 of the limitation under IRC § 401(a)(17).

30 (b) Member status statements and certifications.--The board

1 shall furnish annually to the head of each department on or
2 before April 1, a statement for each member employed in such
3 department showing the total accumulated deductions standing to
4 his credit as of December 31 of the previous year and requesting
5 the member to make any necessary corrections or revisions
6 regarding his designated beneficiary. In addition, for each
7 member employed in any department and for whom the department
8 has furnished the necessary information, the board shall certify
9 the number of years and fractional part of a year of credited
10 service attributable to each class of service, the number of
11 years and fractional part of a year attributable to social
12 security integration credits in each class of service and, in
13 the case of a member eligible to receive an annuity, the benefit
14 to which he is entitled upon the attainment of superannuation
15 age.

16 (c) Purchase of credit and full coverage membership
17 certifications.--Upon receipt of an application from an active
18 member or eligible school employee to purchase credit for
19 previous State or creditable nonstate service, or an election to
20 become a full coverage member, the board shall determine and
21 certify to the member the amount required to be paid by the
22 member. When necessary, the board shall certify to the previous
23 employer the amount due in accordance with sections 5504
24 (relating to member contributions for the purchase of credit for
25 previous State service or to become a full coverage member) and
26 5505 (relating to contributions for the purchase of credit for
27 creditable nonstate service).

28 (d) Transfer from joint coverage membership
29 certifications.--Upon receipt of an application from a joint
30 coverage member who elects to become a full coverage member, the

1 board shall certify to the member the effective date of such
2 transfer and the prospective rate for regular and additional
3 member contributions.

4 (e) Former county employees.--Upon receipt of an election by
5 a county employee transferred to State employment pursuant to 42
6 Pa.C.S. § 1905 (relating to county-level court administrators)
7 to convert county service to State service, the board shall
8 certify to the member the amount of service so converted and the
9 class at which such service is credited.

10 (f) Transfer to Class P membership certifications.--The
11 board shall certify to each campus police officer who is
12 transferred from Class A to Class P the amount of Class service
13 that is so transferred.

14 Section 5. This act shall take effect in 90 days.