THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2367 Session of 2008

INTRODUCED BY CALTAGIRONE, DALEY, HENNESSEY, MUNDY, THOMAS AND YOUNGBLOOD, MARCH 17, 2008

REFERRED TO COMMITTEE ON STATE GOVERNMENT, MARCH 17, 2008

AN ACT

- 1 Amending Title 71 (State Government) of the Pennsylvania
- 2 Consolidated Statutes, transferring county employees to State
- 3 employment; and establishing the Transferred County Employee
- 4 Leave Fund.
- 5 The General Assembly of the Commonwealth of Pennsylvania
- 6 hereby enacts as follows:
- 7 Section 1. The definition of "county service" in section
- 8 5102 of Title 71 of the Pennsylvania Consolidated Statutes is
- 9 amended to read:
- 10 § 5102. Definitions.
- 11 The following words and phrases as used in this part, unless
- 12 a different meaning is plainly required by the context, shall
- 13 have the following meanings:
- 14 * * *
- 15 "County service." Service credited in a retirement system or
- 16 pension plan established or maintained by a county to provide
- 17 retirement benefits for its employees to the account of county
- 18 employees who are transferred to State employment and become

- 1 State employees pursuant to 42 Pa.C.S. § 1905 (relating to
- 2 county-level court administrators) or section 8311 (relating to
- 3 county employee transfer) regardless of whether the service was
- 4 performed for the county or another employer or allowed to be
- 5 purchased in the county retirement system or pension plan.
- 6 * * *
- 7 Section 2. Sections 5301(e), 5302(d.1), 5303.1(a),
- 8 5507(c)(1) and 5903(e) of Title 71 are amended to read:
- 9 § 5301. Mandatory and optional membership.
- 10 * * *
- 11 (e) Election prohibited.--Notwithstanding subsections
- 12 (a)(13) and (c), county employees who are transferred to State
- 13 employment and become State employees pursuant to 42 Pa.C.S. §
- 14 1905 (relating to county-level court administrators) or section
- 15 <u>8311 (relating to county employee transfer)</u> shall not have the
- 16 election to remain a contributor in the retirement system or
- 17 pension plan of the county by which they were employed prior to
- 18 becoming eligible for membership in the State Employees'
- 19 Retirement System. Such employees shall be mandatory members of
- 20 the system provided they are otherwise eligible and unless they
- 21 are eligible for optional membership pursuant to subsections
- 22 (a)(1) through (11) and (b) or prohibited membership pursuant to
- 23 subsections (a)(14) and (c).
- 24 * * *
- 25 § 5302. Credited State service.
- 26 * * *
- 27 (d.1) Effect of converting county service to State
- 28 service. -- A county employee transferred to State employment
- 29 pursuant to 42 Pa.C.S. § 1905 (relating to county-level court
- 30 administrators) or section 8311 (relating to county employee

- 1 <u>transfer</u>) who elects to convert county service to State service
- 2 pursuant to section 5303.1 (relating to election to convert
- 3 county service to State service) shall receive one year or
- 4 fractional part of a year of State service credit for each year
- 5 or fractional part of a year, as the case may be, of county
- 6 service credited in the county retirement system or pension
- 7 plan, provided, however, that no more than one year of State
- 8 service of all classes will be credited in any one calendar year
- 9 and that no State service credit shall be received for county
- 10 service that is already credited in the system or in the Public
- 11 School Employees' Retirement System.
- 12 * * *
- 13 § 5303.1. Election to convert county service to State service.
- 14 (a) General rule.--County employees who are transferred to
- 15 State employment pursuant to 42 Pa.C.S. § 1905 (relating to
- 16 county-level court administrators) or section 8311 (relating to
- 17 <u>county employee transfer</u>) may elect to convert their county
- 18 service in the retirement system or pension plan in which they
- 19 were contributors immediately prior to the transfer to State
- 20 employment.
- 21 * * *
- 22 § 5507. Contributions by the Commonwealth and other employers.
- 23 * * *
- 24 (c) Contributions transferred by county retirement
- 25 systems.--
- 26 (1) Each county retirement system or pension plan which
- 27 is notified by certification from the board that a former
- contributor who was transferred to State employment pursuant
- to 42 Pa.C.S. § 1905 (relating to county-level court
- 30 administrators) or section 8311 (relating to county employee

- 1 <u>transfer</u>) has elected to convert county service to State
- 2 service in accordance with section 5303.1 (relating to
- 3 election to convert county service to State service) shall
- 4 transfer to the board an amount equal to the actuarial
- 5 liability for the additional benefits that result in the
- 6 system as a result of the conversion as certified by the
- 7 board. This amount shall be calculated in such a manner and
- 8 using such actuarial factors and assumptions as the board,
- 9 after obtaining the advice of its actuary, shall determine
- 10 and shall be calculated by determining the present value of
- the future benefits for the former county contributors and
- 12 subtracting from that present value the present value of
- future employee contributions and future employer normal cost
- 14 contributions.
- 15 * * *
- 16 § 5903. Duties of the board to advise and report to heads of
- departments and members.
- 18 * * *
- 19 (e) Former county employees.--Upon receipt of an election by
- 20 a county employee transferred to State employment pursuant to 42
- 21 Pa.C.S. § 1905 (relating to county-level court administrators)
- 22 or section 8311 (relating to county employee transfer) to
- 23 convert county service to State service, the board shall certify
- 24 to the member the amount of service so converted and the class
- 25 at which such service is credited.
- 26 * * *
- 27 Section 3. Section 5906 of Title 71 is amended by adding a
- 28 subsection to read:
- 29 § 5906. Duties of heads of departments.
- 30 * * *

- 1 (e.2) Former county employees transferred to State
- 2 <u>employment.--In addition to the duties set forth under</u>
- 3 subsection (d) and (e), the head of the department to which a
- 4 county employee is transferred under section 8311 (relating to
- 5 county employee transfer) shall, upon the transfer of county
- 6 employees to State employment under section 8311, advise the
- 7 transferred county employees of their opportunity to elect to
- 8 convert county service to State service in accordance with
- 9 <u>section 5303.1</u> (relating to election to convert county service
- 10 to State service), and if the employee so elects, the head of
- 11 the department shall cause an election to be made and filed with
- 12 the board within 90 days after the transfer to State employment.
- 13 * * *
- 14 Section 4. Sections 5907(b)(2) and 5953.5(a) of Title 71 are
- 15 amended to read:
- 16 § 5907. Rights and duties of State employees and members.
- 17 * * *
- 18 (b) Application for membership.--
- 19 * * *
- 20 (2) In the case of a new employee who is a county
- 21 employee transferred to State employment pursuant to 42
- 22 Pa.C.S. § 1905 (relating to county-level court
- administrators) or section 8311 (relating to county employee
- 24 <u>transfer</u>) and who desires to elect to convert county service
- 25 to State service, the member shall also execute an election
- 26 to convert service and file it with the board in accordance
- 27 with section 5303.1 (relating to election to convert county
- 28 service to State service).
- 29 * * *
- 30 § 5953.5. Transfer of domestic relations orders against county

- 1 pension plans.
- 2 (a) General rule.--If, at the time a county employee becomes
- 3 a State employee pursuant to 42 Pa.C.S. § 1905 (relating to
- 4 county-level court administrators) or section 8311 (relating to
- 5 <u>county employee transfer</u>), there is a domestic relations order
- 6 entered against the transferred employee or the county
- 7 retirement system or pension plan in which the county employee
- 8 was a contributor immediately prior to the transfer to State
- 9 employment and if the domestic relations order affects the
- 10 rights of the transferred employee or any county alternate payee
- 11 to receive money or benefits from the county retirement system
- 12 or pension plan, the domestic relations order shall be affected
- 13 as follows:
- 14 (1) If the county employee elects to convert county
- service to State service in accordance with section 5303.1
- 16 (relating to election to convert county service to State
- service), the domestic relations order will remain in effect,
- 18 but the obligations of the county retirement system or
- 19 pension plan shall be assumed by the board or system if the
- 20 domestic relations order is certified as an approved domestic
- 21 relations order by the secretary of the board or a designated
- 22 representative pursuant to section 5953.1 (relating to
- 23 approval of domestic relations orders). If the domestic
- 24 relations order is not certified as an approved domestic
- 25 relations order, the order shall not be effective against the
- 26 board or system and shall not require the board or system to
- 27 attach, assign or otherwise pay benefits or money to any
- 28 person except as otherwise provided for in this part.
- 29 (2) If the county employee does not elect to convert 30 county service to State service, the domestic relations order

- shall remain in effect against the county retirement system
- or pension plan, and the order shall not be effective against
- 3 the board or the system and shall not require the board or
- 4 system to attach, assign or otherwise pay benefits or money
- 5 to any person except as otherwise provided for in this part.
- 6 * * *
- 7 Section 5. Title 71 is amended by adding a part to read:
- 8 PART LI
- 9 <u>COUNTY GOVERNMENT</u>
- 10 Chapter
- 11 <u>81. Preliminary Provisions (Reserved)</u>
- 12 <u>83. County Employees</u>
- 13 <u>CHAPTER 81</u>
- 14 PRELIMINARY PROVISIONS
- 15 (RESERVED)
- 16 CHAPTER 83
- 17 <u>COUNTY EMPLOYEES</u>
- 18 Subchapter
- 19 A. General Provisions
- 20 <u>B. County Employees</u>
- 21 <u>C. Leave and Benefits</u>
- 22 <u>SUBCHAPTER A</u>
- 23 <u>GENERAL PROVISIONS</u>
- 24 Sec.
- 25 8301. Scope of chapter.
- 26 <u>8302</u>. <u>Definitions</u>.
- 27 § 8301. Scope of chapter.
- This chapter relates to county employees.
- 29 § 8302. Definitions.
- 30 The following words and phrases when used in this chapter

- 1 shall have the meanings given to them in this section unless the
- 2 <u>context clearly indicates otherwise:</u>
- 3 "County employee." An employee of a county that was not
- 4 <u>elected or appointed to the position.</u>
- 5 <u>"Department." The respective department of the Commonwealth</u>
- 6 to which an employee has been assigned under section 8311
- 7 (relating to county employee transfer).
- 8 <u>SUBCHAPTER B</u>
- 9 <u>COUNTY EMPLOYEES</u>
- 10 <u>Sec.</u>
- 11 8311. County employee transfer.
- 12 § 8311. County employee transfer.
- 13 (a) Transition. -- Within on year of the effective date of
- 14 this section, the Governor shall assign all county employees to
- 15 <u>respective departments within the Commonwealth. One year from</u>
- 16 the effective date of this section, all county employees shall
- 17 be included within the State personnel system and shall be
- 18 compensated by the Commonwealth. One year from the effective
- 19 date of this section, all county employees shall become State
- 20 employees and their status as employees of the respective
- 21 <u>counties shall cease.</u>
- 22 (b) Compensation.--The department shall establish salaries
- 23 and other compensation for those individuals entering the State
- 24 personnel system under subsection (a).
- 25 (c) Compensation plan. -- The department shall establish a
- 26 plan for use on an ongoing basis for compensation of those
- 27 individuals entering the State personnel system under subsection
- 28 (a) and their successors.
- 29 <u>(d) Reports to appropriations committees.--The department</u>
- 30 shall make monthly reports to the Chairman and Minority Chairman

- 1 of the Appropriations Committee of the Senate and the Chairman
- 2 and Minority Chairman of the Appropriations Committee of the
- 3 House of Representatives of expenditures for compensation and
- 4 related expenditures for individuals who are compensated by the
- 5 <u>Commonwealth under this section.</u>
- 6 <u>SUBCHAPTER C</u>
- 7 LEAVE AND BENEFITS
- 8 Sec.
- 9 8321. Scope.
- 10 <u>8322</u>. <u>Definitions</u>.
- 11 <u>8323</u>. Holidays.
- 12 8324. Sick leave and annual leave.
- 13 <u>8325</u>. <u>Other leave</u>.
- 14 8326. Leave following transfer.
- 15 <u>8327</u>. County payments for certain leave.
- 16 § 8321. Scope.
- 17 This subchapter relates to leave and benefits.
- 18 § 8322. Definitions.
- 19 The following words and phrases when used in this subchapter
- 20 shall have the meanings given to them in this section unless the
- 21 <u>context clearly indicates otherwise:</u>
- 22 "Date of transfer." One year from the effective date of
- 23 section 8311 (relating to county employee transfer) for transfer
- 24 of designated employees from employment by their employing
- 25 county to employment by the State government of the
- 26 Commonwealth.
- 27 "Employing county." The county by which a designated
- 28 employee is employed on the day immediately preceding the
- 29 <u>designated employee's date of transfer.</u>
- 30 <u>"Fund." The Transferred County Employee Leave Fund</u>

- 1 established under section 8327 (relating to county payments for
- 2 certain leave).
- 3 <u>"State personnel policies." Those personnel policies and</u>
- 4 procedures established and amended by or through a process
- 5 created by a department and applicable to personnel of the
- 6 <u>department</u>.
- 7 "Transferred employee." Personnel designated under section
- 8 8311 (relating to county employee transfer).
- 9 <u>§ 8323. Holidays.</u>
- 10 On and after the date of transfer to the State personnel
- 11 system, transferred employees shall be eligible for those paid
- 12 <u>holidays specified in State personnel policies.</u>
- 13 § 8324. Sick leave and annual leave.
- 14 (a) Accrued sick leave and annual leave to be transferred.--
- 15 Subject to the provisions of subsection (b), sick leave and
- 16 <u>annual leave accrued by a transferred employee prior to the date</u>
- 17 of transfer shall be transferred based upon the accrued sick
- 18 leave and annual leave balances credited to the transferred
- 19 employee by the employing county as of the day immediately
- 20 preceding the transferred employee's date of transfer.
- 21 (b) Accrued sick leave and annual leave to be credited. --
- 22 Credit for the sick leave and annual leave transferred under
- 23 subsection (a) shall not exceed the maximum amount permitted for
- 24 <u>sick leave and annual leave carryover leave allowances from</u>
- 25 <u>calendar year to calendar year by State personnel policies in</u>
- 26 <u>effect on the date of transfer. Accrued sick leave or annual</u>
- 27 leave transferred under this section shall be used by the
- 28 transferred employee only as a credit toward sick leave or
- 29 <u>annual leave</u>, as the case may be, to be taken in the future. The
- 30 sick leave or annual leave credited under this subsection shall

- 1 not, at the time of transfer, be reimbursed to the transferred
- 2 <u>employee in the form of a lump-sum payout or other leave payout</u>
- 3 or in any other form which may be permitted by the personnel
- 4 policies of the employing county in effect on the day
- 5 immediately preceding the date of transfer. In the event a
- 6 transferred employee has accrued leave that is eligible for
- 7 transfer and that under the employing county's personnel
- 8 policies in effect on the day immediately preceding the date of
- 9 <u>transfer could be used by the transferred employee as either</u>
- 10 sick leave or annual leave, the leave shall be credited to the
- 11 <u>transferred employee with one-half of the leave designated as</u>
- 12 <u>sick leave and one-half of the leave designated as annual leave.</u>
- (c) Excess leave. -- Credit for accrued sick leave or annual
- 14 leave which exceeds the maximum allowed by subsection (b) shall
- 15 <u>be subject to leave policies in effect in the employing county</u>
- 16 on the day immediately preceding the date of transfer. Any lump-
- 17 <u>sum payments or other sick leave payments or annual leave</u>
- 18 payments made under this subsection are and shall remain the
- 19 financial responsibility of the employing county.
- 20 § 8325. Other leave.
- 21 With the exception of leave specified in section 8324
- 22 (relating to sick leave and annual leave), a transferred
- 23 <u>employee may receive a lump-sum payment or other payment for</u>
- 24 other accrued leave as permitted by the personnel policies of
- 25 the employing county in effect on the day immediately preceding
- 26 the date of transfer. Any lump-sum payment or other leave
- 27 payments made under this section are and shall remain the
- 28 <u>financial responsibility of the employing county. For purposes</u>
- 29 of this section, the term "other accrued leave" shall not
- 30 <u>include accrued sick leave and accrued annual leave, and shall</u>

- 1 include accrued disability leave, accrued personal leave,
- 2 <u>accrued compensatory leave and other types of accrued leave</u>
- 3 <u>encompassed within the employing county's personnel policies on</u>
- 4 the day immediately preceding the date of transfer.
- 5 § 8326. Leave following transfer.
- 6 (a) Leave accrual following date of transfer. -- On and after
- 7 the date of transfer, leave shall be accrued by transferred
- 8 employees as provided by State personnel policies. For purposes
- 9 of determining the accrual rate for annual leave, the term
- 10 <u>"service" shall mean State and county service which is</u>
- 11 <u>creditable for retirement purposes, excluding any nonstate or</u>
- 12 noncounty service which may be creditable for State or county
- 13 <u>retirement purposes.</u>
- 14 (b) Leave carryover following date of transfer. -- On and
- 15 after the date of transfer, a transferred employee shall be
- 16 permitted to carry accrued leave from calendar year to calendar
- 17 year as provided by State personnel policies.
- 18 (c) Leave eligible for payment.--If a transferred employee
- 19 terminates active service with the Commonwealth, the transferred
- 20 <u>employee shall be paid for sick leave and annual leave</u>
- 21 transferred and credited under section 8324 (relating to sick
- 22 leave and annual leave) and for sick, annual and other leave
- 23 accrued on and after the date of transfer as permitted by State
- 24 personnel policies in effect on the transferred employee's date
- 25 of termination.
- 26 § 8327. County payments for certain leave.
- 27 (a) County payments. -- Each employing county shall provide
- 28 payment to the Commonwealth for the accrued sick leave and
- 29 annual leave transferred and credited under section 8324
- 30 (relating to sick leave and annual leave). Within 30 days of the

- 1 date specified under section 8311(a) (relating to county
- 2 <u>employee transfer</u>), each employing county shall provide in
- 3 writing to a department, all leave information requested by the
- 4 <u>department for those individuals designated under section</u>
- 5 8311(a). The payment to be made by each employing county shall
- 6 be determined based upon an actuarial evaluation performed by an
- 7 <u>actuary appointed by the Governor from a list of three actuaries</u>
- 8 to be submitted by the Secretary of the Budget within 30 days of
- 9 the effective date of this subchapter. The actuarial evaluation
- 10 shall be based upon assumptions determined by the actuary to be
- 11 appropriate under the circumstances to arrive at a fair and
- 12 <u>reasonable determination of an actuarially equivalent value of</u>
- 13 the accrued sick leave and annual leave transferred and credited
- 14 under section 8324. The actuary shall submit the actuarial
- 15 <u>evaluation to the Governor within 60 days of the receipt of all</u>
- 16 <u>information necessary to prepare the evaluation. If any</u>
- 17 <u>employing county fails to provide the information required under</u>
- 18 this section, the county shall be subject to a penalty of \$100
- 19 per day for each transferred employee until the required
- 20 information is provided. The penalties shall be paid into the
- 21 fund.
- 22 (b) Notice of payment due and payment method. -- Following
- 23 receipt of the actuarial evaluation required under subsection
- 24 (a), the department shall notify in writing each employing
- 25 county of the actuarial value attributable to that county for
- 26 <u>accrued sick leave and annual leave transferred and credited</u>
- 27 under section 8324. Each employing county shall be obligated to
- 28 the Commonwealth for payment of the actuarial value of the
- 29 <u>accrued sick leave and annual leave transferred and credited</u>
- 30 under section 8324. Payment shall be made to the Commonwealth by

- 1 each employing county within 90 days of the date of the written
- 2 <u>notice from the department to the employing county, which date</u>
- 3 <u>is referred to for purposes of this section as the payment due</u>
- 4 date. Any payment not received from an employing county by the
- 5 payment due date shall be subject to the imposition of interest
- 6 from the day following the payment due date at the rate
- 7 <u>determined by the Secretary of Revenue for interest payments on</u>
- 8 overdue taxes or the refund of taxes as provided in section 806
- 9 and 806.1 of the act of April 9, 1929 (P.L.343, No.176), known
- 10 as The Fiscal Code, plus 2% until paid in full.
- 11 (c) Recoupment of employing county arrearages. -- If an
- 12 employing county fails to submit a payment by the payment due
- 13 <u>date established under subsection (b), the department shall</u>
- 14 withhold and withdraw the payment, plus applicable interest, if
- 15 any, from moneys next due to be paid to the employing county in
- 16 the form of grants, subsidies or other payments to counties
- 17 which are made by that department. Any money withheld or
- 18 withdrawn under this subsection or received under subsection (b)
- 19 shall be transferred to and deposited in the fund and credited
- 20 to the employing county's financial obligation under this
- 21 <u>subchapter</u>.
- 22 (d) Establishment of fund.--There is created a special
- 23 nonlapsing fund in the State Treasury to be known as the
- 24 Transferred County Employee Leave Fund. All money received from
- 25 employing counties under this section and all investment income
- 26 <u>earned on those moneys shall be deposited in the fund. All money</u>
- 27 placed in the fund and the investment income it accrues are
- 28 appropriated on a continuing basis to the department, upon
- 29 requisition by the respective secretary of that department, to
- 30 be applied solely to the cost of leave payments made under

- 1 section 8326(c) (relating to leave following transfer). The
- 2 requisition authority granted with regard to the fund is in
- 3 addition to the requisition authority contained in section 1501
- 4 of The Fiscal Code.
- 5 (e) Fund deficiency.--If money in the fund is not adequate
- 6 to provide for full payment of the counties' share of leave
- 7 payments, the amount necessary to fully fund the counties' share
- 8 of leave payments shall become an obligation of the department.
- 9 <u>(f) Fund surplus.--When all leave payments for transferred</u>
- 10 <u>employees required to be made under this subchapter have been</u>
- 11 made, any surplus remaining in the fund shall be transferred to
- 12 and is appropriated to the General Fund.
- 13 Section 6. This act shall apply to the county employees who
- 14 become State employees under 71 Pa.C.S. § 8311.
- 15 Section 7. The following shall apply:
- 16 (1) County employees transferred to State employment
- 17 under 71 Pa.S.C. § 8311 who are annuitants of the State
- 18 Employees' Retirement System shall be required to be active
- 19 members of the State Employees' Retirement System and shall
- 20 have their annuities stopped under 71 Pa.C.S. §§ 5301(d) and
- 21 5706. Upon subsequent termination and application for
- 22 annuity, the transferred State Employees' Retirement System
- annuitants shall have their benefits calculated according to
- 71 Pa.C.S. Pt. XXV. For purposes of calculating eligibility
- points for the application of 71 Pa.C.S. § 5706(c)(1), only
- 26 eligibility points earned after the date of transfer may be
- 27 included, unless the member has converted county service to
- 28 State service pursuant to 71 Pa.C.S. § 5303.1. If a former
- annuitant has converted county service to State service, the
- 30 eligibility points subsequent to the most recent receipt of

- an annuity that is not returned to the State Employees'
- 2 Retirement System as a result of the converted service shall
- also be included in calculating the eligibility points under
- 4 71 Pa.C.S. § 5706(c)(1).
- 5 (2) Except as otherwise set forth under this act, county
- 6 employees who are transferred to State employment under 71
- 7 Pa.C.S. § 8311 shall be subject to the terms and conditions
- 8 of 71 Pa.C.S. Pt. XXV in the same manner and extent as any
- 9 other individual commencing State employment who is eligible
- 10 for the benefits and obligations of Class A membership with a
- 11 superannuation age of 60 years.
- 12 (3) Upon the filing by a county employee transferred to
- 13 State employment under 71 Pa.C.S. § 8311 of an election to
- convert county service to State service, the State Employees'
- Retirement Board shall notify the appropriate county
- retirement system or pension plan administrator. Within 30
- days of notification the county retirement system or pension
- 18 plan administrator shall certify to the State Employees'
- 19 Retirement Board the total amount of service credited to the
- 20 electing member's account, and such information on how it was
- 21 earned or acquired, in the county retirement system or
- 22 pension plan, including the nature of the underlying service
- 23 or legal authority on which the credit was based and the
- 24 dates covered by the credit as requested by the State
- 25 Employees' Retirement Board. The administrators, employees,
- trustees and fiduciaries of all retirement systems or pension
- 27 plans operated for the transferred employees shall provide
- whatever information and records are requested by the State
- 29 Employees' Retirement System within 30 days of the request
- for the transferred employees. If a county retirement system

or pension plan fails to provide the information required by this section, the county shall be subject to a penalty of \$100 per day for each of the transferred employees until the

information is provided.

- (4) (i) County employees who are transferred to State employment under 71 Pa.C.S. § 8311 shall have their county employment by virtue of State employment terminated effective the day before the transfer. No further rights in any county retirement system by virtue of employment with the State shall accrue, but the transferred member shall have the rights, privileges and obligations in the retirement system of the county enjoyed by any other involuntarily terminated employee who is a member of that plan of the same gender and with the same age, years of service, compensation, contributions and other factors that enter into the calculation of benefits.
- (ii) Notwithstanding subparagraph (i) or any other provision of this act, including the amendment of 71

 Pa.C.S. § 5301(e), and paragraph (5) and notwithstanding any other provision of law, ordinance, collective bargaining agreement, arbitration award, contract or term or condition of any retirement system or pension plan, any transferred member who elects to convert county service to State service may elect to leave in the county retirement system or pension plan any contributions of whatever nature made by the employee, including pickup contributions, and any interest paid on those contributions. Upon making such an election, the retirement system or pension plan shall treat the

contributions and interest as if the member had remained in full-time active service as an employee of the county for the period the transferred employee is a State employee, including the crediting of interest if and as otherwise provided for by the retirement system or pension plan. Upon termination of State service, the transferred employee may make application to the county pension plan or retirement system as if the transferred employee was terminating county service and shall be granted whatever rights and benefits, including an immediate lump sum distribution or an annuity from the county pension plan or retirement system equal to the contributions and interest in the member's account with the county, provided to a terminating member with the age and service the member would have possessed had the member remained a full-time employee of the county. The election must be in writing filed with the administrator of the county pension plan or retirement system from which the county service is being converted and must be made within 30 days after the election to convert county service to State service.

- (5) County service that is converted to State service under 71 Pa.C.S. § 5303.1 shall be canceled in all retirement systems in which it was previously credited and shall lose all characteristics of county service.
- (6) For purposes of this act, any county employee who is transferred to State employment under 71 Pa.C.S. § 8311, who is on leave at the time of the transfer or who is not an active participant or contributor to the county retirement system or pension plan but is still an employee of the county

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- at the time of the transfer shall be deemed an active member for purposes of the implementation of this act and the elections required under this act.
 - (7) Notwithstanding the definition of "final average salary" contained under 71 Pa.C.S. § 5102, if a member who elects to convert county service to State service under 71 Pa.C.S § 5303.1 terminates State service before having been a member of the State Employees' Retirement System for three nonoverlapping periods of four consecutive calendar quarters, the final average salary shall be determined on the basis of the compensation received as a State employee and as a county employee before the transfer to State employment and shall be calculated over any three nonoverlapping periods of four consecutive calendar quarters during which the member was a State employee or a county employee, with the compensation for part-time service being annualized on the basis of the fractional portion of the year for which credit is received.
 - (8) Contributions and other money transferred from the county retirement systems and pension plans to the State Employees' Retirement System shall retain the same attributes for Federal, State and local tax laws to the extent allowed by law.
- Notwithstanding any regulation promulgated by the (9) State Employees' Retirement Board, eligibility for superannuation benefits at 55 years of age shall require the actual accrual of 20 eligibility points. Consistent with 71 Pa.C.S. Pt. XXV and its application by the board, members who have Class G, Class H, Class I, Class J, Class K, Class L, Class M or Class N service have a superannuation age upon the attainment of 55 years of age with 20 or more eligibility

- 1 points only for service in those classes of service.
- 2 Section 8. The General Assembly declares that the provisions
- 3 of this act are nonseverable and that in the event a court of
- 4 competent jurisdiction rules finally that any provision mandated
- 5 in this act is legally or constitutionally impermissible, this
- 6 entire act shall be void.
- 7 Section 9. The calculation of the contributions to be
- 8 transferred by county retirement systems or pension plans under
- 9 71 Pa.C.S. § 5507(c) shall include interest at the annual rate
- 10 adopted for that fiscal year by the State Employees' Retirement
- 11 Board for the calculation of the normal contribution rate under
- 12 71 Pa.C.S. § 5508(b) from the effective date of the transfer of
- 13 the former county employees to State employment to the date of
- 14 the transfer of the funds to the State Employees' Retirement
- 15 System.
- 16 Section 10. This act shall take effect immediately.