
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 797 Session of
2013

INTRODUCED BY BROWNE, FARNESE, SCARNATI, BRUBAKER, TEPLITZ,
VANCE, MENSCH, FONTANA, RAFFERTY, FERLO, ERICKSON, BREWSTER,
YUDICHAK, WASHINGTON, BAKER, TARTAGLIONE, WHITE, SOLOBAY AND
WOZNIAK, APRIL 1, 2013

REFERRED TO FINANCE, APRIL 1, 2013

AN ACT

1 Amending Titles 24 (Education) and 51 (Military Affairs) of the
2 Pennsylvania Consolidated Statutes, further providing for the
3 calculation of military members' Public School Employees
4 Retirement System benefits.

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

7 Section 1. Section 8102 of Title 24 of the Pennsylvania
8 Consolidated Statutes is amended to read:

9 § 8102. Definitions.

10 The following words and phrases when used in this part shall
11 have, unless the context clearly indicates otherwise, the
12 meanings given to them in this section:

13 "Accumulated deductions." The total of pickup contributions
14 and the contributions paid into the fund by the member on
15 account of current school service, previous school service, or
16 creditable nonschool service and the statutory interest credited
17 on all such contributions.

18 "Activated military service." Military service by a member

1 of a reserve component of the armed forces, pursuant to an order
2 on or after July 1, 1990, and prior to July 1, 2013, to enter
3 into active military service, other than an order to enter into
4 active duty to meet periodic training requirements, who was an
5 active member of the system immediately preceding the order into
6 active military service and to whom the military leave
7 provisions of 51 Pa.C.S. Ch. 73 (relating to military leave of
8 absence) do not apply.

9 "Active member." A school employee for whom pickup
10 contributions are being made to the fund or for whom such
11 contributions otherwise required for current school service are
12 not being made solely by reason of any provision of this part
13 relating to the limitations under section 401(a)(17) or 415(b)
14 of the Internal Revenue Code of 1986 (Public Law 99-514, 26
15 U.S.C. § 401(a)(17) or 415(b)).

16 "Actuarially equivalent." Equal present values, computed on
17 the basis of statutory interest and the mortality tables adopted
18 by the board.

19 "Actuary." The consultant to the board who shall be:

20 (1) a member of the American Academy of Actuaries;

21 (2) an individual who has demonstrated to the
22 satisfaction of the Insurance Commissioner of Pennsylvania
23 that he has the educational background necessary for the
24 practice of actuarial science and has had at least seven
25 years of actuarial experience; or

26 (3) a firm, partnership, or corporation of which at
27 least one member meets the requirements of paragraph (1) or
28 (2).

29 "Alternate payee." Any spouse, former spouse, child or
30 dependent of a member who is recognized by a domestic relations

1 order as having a right to receive all or a portion of the
2 moneys payable to that member under this part.

3 "Alternative investment." An investment in a private equity
4 fund, private debt fund, venture fund, real estate fund, hedge
5 fund or absolute return fund.

6 "Alternative investment vehicle." A limited partnership,
7 limited liability company or any other legal vehicle for
8 authorized investments under section 8521(i) (relating to
9 management of fund and accounts) through which the system makes
10 an alternative investment.

11 "Annuitant." Any member on or after the effective date of
12 retirement until his annuity is terminated.

13 "Approved domestic relations order." Any domestic relations
14 order which has been determined to be approved in accordance
15 with section 8533.1 (relating to approval of domestic relations
16 orders).

17 "Approved leave of absence." A leave of absence for
18 activated military service or which has been approved by the
19 employer for sabbatical leave, service as an exchange teacher,
20 service with a collective bargaining organization or
21 professional study.

22 "Basic contribution rate." For Class T-A, T-B and T-C
23 service, the rate of 6 1/4%. For Class T-D service, the rate of
24 7 1/2%. For all active members on the effective date of this
25 provision who are currently paying 5 1/4% and elect Class T-D
26 service, the rate of 6 1/2%. For Class T-E service, the rate of
27 7 1/2%. For Class T-F service, the rate of 10.30%.

28 "Beneficiary." The person or persons last designated in
29 writing to the board by a member to receive his accumulated
30 deductions or a lump sum benefit upon the death of such member.

1 "Board." The Public School Employees' Retirement Board or
2 the Public School Employees' Retirement Board.

3 "Class of service multiplier."

4	Class of service	Multiplier
5	T-A	.714
6	T-B	.625
7	T-C	1.000
8	T-D	1.000
9	T-E	1.000
10	T-F	1.000

11 "Commissioner." The Commissioner of the Internal Revenue
12 Service.

13 "Compensation." Pickup contributions plus any remuneration
14 received as a school employee excluding reimbursements for
15 expenses incidental to employment and excluding any bonus,
16 severance payments, any other remuneration or other emolument
17 received by a school employee during his school service which is
18 not based on the standard salary schedule under which he is
19 rendering service, payments for unused sick leave or vacation
20 leave, bonuses or other compensation for attending school
21 seminars and conventions, payments under health and welfare
22 plans based on hours of employment or any other payment or
23 emolument which may be provided for in a collective bargaining
24 agreement which may be determined by the Public School
25 Employees' Retirement Board to be for the purpose of enhancing
26 compensation as a factor in the determination of final average
27 salary[, provided]; and excluding payments for military leave
28 and any other payments made by an employer while on USERRA
29 leave, leave of absence granted under 51 Pa.C.S. § 4102
30 (relating to leaves of absence for certain government

1 employees), military leave of absence granted under 51 Pa.C.S. §
2 7302 (relating to granting military leaves of absence), leave
3 granted under section 1178 of the act of March 10, 1949 (P.L.30,
4 No.14), known as the Public School Code of 1949, or other types
5 of military leave, including other types of leave payments,
6 stipends, differential wage payments as defined in IRC § 414(u)
7 (12) and any other payments: Provided, however, that the
8 limitation under section 401(a)(17) of the Internal Revenue Code
9 of 1986 (Public Law 99-514, 26 U.S.C. § 401(a)(17)) taken into
10 account for the purpose of member contributions, including
11 regular or joint coverage member contributions, regardless of
12 class of service, shall apply to each member who first became a
13 member of the Public School Employees' Retirement System on or
14 after July 1, 1996, and who by reason of such fact is a
15 noneligible member subject to the application of the provisions
16 of section 8325.1 (relating to annual compensation limit under
17 IRC § 401(a)(17)).

18 "Concurrent service." Simultaneously credited school and
19 State service.

20 "Creditable nonschool service." Service other than service
21 as a school employee for which an active member may obtain
22 credit.

23 "Credited service." School or creditable nonschool service
24 for which the required contributions have been made, or for
25 which the contributions otherwise required for such service were
26 not made solely by reason of any provision of this part relating
27 to the limitations under section 401(a)(17) or 415(b) of the
28 Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §
29 401(a)(17) or 415(b)), or for which salary deductions or lump
30 sum payments have been agreed upon in writing.

1 "Date of termination of service." The last date of service
2 for which pickup contributions are made for an active member or,
3 in the case of an inactive member, the effective date of his
4 resignation or the date his employment is formally discontinued
5 by his employer or two years following the last day of service
6 for which contributions were made, whichever is earliest.

7 "Disability annuitant." A member on or after the effective
8 date of disability until his disability annuity or the portion
9 of his disability annuity payments in excess of any annuity to
10 which he may otherwise be entitled is terminated.

11 "Distribution." Payment of all or any portion of a person's
12 interest in the Public School Employees' Retirement Fund which
13 is payable under this part.

14 "Domestic relations order." Any judgment, decree or order,
15 including approval of a property settlement agreement, entered
16 on or after the effective date of this definition by a court of
17 competent jurisdiction pursuant to a domestic relations law
18 which relates to the marital property rights of the spouse or
19 former spouse of a member, including the right to receive all or
20 a portion of the moneys payable to that member under this part
21 in furtherance of the equitable distribution of marital assets.
22 The term includes orders of support as that term is defined by
23 23 Pa.C.S. § 4302 (relating to definitions) and orders for the
24 enforcement of arrearages as provided in 23 Pa.C.S. § 3703
25 (relating to enforcement of arrearages).

26 "Effective date of retirement." The first day following the
27 date of termination of service of a member if he has properly
28 filed an application for an annuity within 90 days of such date
29 or:

30 (1) In the case of a member who applies for an annuity

1 subsequent to 90 days after termination of service, the date
2 of filing such application or the date specified on the
3 application, whichever is later.

4 (2) In the case of a vestee who files an application for
5 an annuity within 90 days of his superannuation age, the
6 attainment of such age.

7 (3) In the case of a vestee who defers the filing of an
8 application for an annuity to a date later than 90 days
9 following attainment of superannuation age, the date of
10 filing or the date specified on the application, whichever is
11 later.

12 (4) In the case of a finding of disability, the date
13 certified by the board as the effective date of disability.

14 "Eligible annuitants." All current and prospective
15 annuitants with 24 1/2 or more eligibility points and all
16 current and prospective disability annuitants. Beginning January
17 1, 1995, "eligible annuitants" shall include members with 15 or
18 more eligibility points who terminated or who terminate school
19 service on or after attaining superannuation retirement age and
20 who are annuitants with an effective date of retirement after
21 superannuation age.

22 "Eligibility points." Points which are accrued by an active
23 member [or], a multiple service member who is an active member
24 of the State Employees' Retirement System for credited service
25 or by a member who has been reemployed from USERRA leave or dies
26 while performing USERRA leave and are used in the determination
27 of eligibility for benefits as provided in section 8306
28 (relating to eligibility points).

29 "Employer." Any governmental entity directly responsible for
30 the employment and payment of the school employee and charged

1 with the responsibility of providing public education within
2 this Commonwealth, including but not limited to: State-owned
3 colleges and universities, the Pennsylvania State University,
4 community colleges, area vocational-technical schools,
5 intermediate units, the State Board of Education, Scotland
6 School for Veterans' Children, Thaddeus Stevens College of
7 Technology, and the Western Pennsylvania School for the Deaf.

8 "Final average salary." The highest average compensation
9 received as an active member during any three nonoverlapping
10 periods of 12 consecutive months with the compensation for part-
11 time service being annualized on the basis of the fractional
12 portion of the school year for which credit is received; except,
13 if the employee was not a member for three such periods, the
14 total compensation received as an active member annualized in
15 the case of part-time service divided by the number of such
16 periods of membership; in the case of a member with multiple
17 service credit, the final average salary shall be determined by
18 reference to compensation received by him as a school employee
19 or a State employee or both; and, in the case of a noneligible
20 member, subject to the application of the provisions of section
21 8325.1 (relating to annual compensation limit under IRC § 401(a)
22 (17)). Final average salary shall be determined by including in
23 compensation, payments deemed to have been made to a member
24 reemployed from USERRA leave to the extent member contributions
25 have been made as provided in section 8302(d)(2) (relating to
26 credited school service) and payments made to a member on leave
27 of absence under 51 Pa.C.S. § 4102 (relating to leaves of
28 absence for certain government employees) as provided in section
29 8302(d)(6).

30 "Full coverage member." Any member for whom regular member

1 pickup contributions are being picked up or who has paid or has
2 agreed to pay to the fund the actuarial equivalent of regular
3 member contributions due on account of service prior to January
4 1, 1983.

5 "Fund." The Public School Employees' Retirement Fund.

6 "Governmental entity." Board of school directors, board of
7 public education, intermediate unit board of directors, area
8 vocational-technical board, any governing board of any agency or
9 authority created by them, and the Commonwealth.

10 "Inactive member." A member for whom no pickup contributions
11 are being made, except in the case of an active member for whom
12 such contributions otherwise required for current school service
13 are not being made solely by reason of any provision of this
14 part relating to the limitations under section 401(a)(17) or
15 415(b) of the Internal Revenue Code of 1986 (Public Law 99-514,
16 26 U.S.C. § 401(a)(17) or 415(b)) or because the member is on
17 USERRA leave, who has accumulated deductions standing to his
18 credit in the fund and for whom contributions have been made
19 within the last two school years or a multiple service member
20 who is active in the State Employees' Retirement System.

21 "Intervening military service." Active military service of a
22 member who was a school employee immediately preceding his
23 induction into the armed services or forces of the United States
24 in order to meet a draft obligation excluding any voluntary
25 extension of such obligational service and who becomes a school
26 employee within 90 days of the expiration of such service.

27 "IRC." The Internal Revenue Code of 1986, as designated and
28 referred to in section 2 of the Tax Reform Act of 1986 (Public
29 Law 99-514, 100 Stat. 2085, 2095). A reference in this part to
30 "IRC § " shall be deemed to refer to the identically numbered

1 section and subsection or other subdivision of such section in
2 26 United States Code (relating to Internal Revenue Code).

3 "Irrevocable beneficiary." The person or persons permanently
4 designated by a member in writing to the board pursuant to an
5 approved domestic relations order to receive all or a portion of
6 the accumulated deductions or lump sum benefit payable upon the
7 death of such member.

8 "Irrevocable survivor annuitant." The person permanently
9 designated by a member in writing to the board pursuant to an
10 approved domestic relations order to receive an annuity upon the
11 death of such member.

12 "Joint coverage member." Any member who agreed prior to
13 January 1, 1966 to make joint coverage member contributions to
14 the fund and has not elected to become a full coverage member.

15 "Joint coverage member contributions." Regular member
16 contributions reduced for a joint coverage member.

17 "Leave for service with a collective bargaining
18 organization." Paid leave granted to an active member by an
19 employer for purposes of working full time for or serving full
20 time as an officer of a Statewide employee organization or a
21 local collective bargaining representative under the act of July
22 23, 1970 (P.L.563, No.195), known as the Public Employe
23 Relations Act: Provided, That greater than one-half of the
24 members of the employee organization are active members of the
25 system; that the employer shall fully compensate the member,
26 including, but not limited to, salary, wages, pension and
27 retirement contributions and benefits, other benefits and
28 seniority, as if he were in full-time active service; and that
29 the employee organization shall fully reimburse the employer for
30 such salary, wages, pension and retirement contributions and

1 benefits and other benefits and seniority.

2 "Maternity leave of absence." An involuntary leave of
3 absence required by the employer because of the pregnancy of the
4 member and commencing prior to May 17, 1975.

5 "Member." Active member, inactive member, annuitant, or
6 vestee.

7 "Member's annuity." The single life annuity which is
8 actuarially equivalent on the effective date of retirement to
9 the sum of the accumulated deductions and the shared-risk member
10 contributions and statutory interest credited on the deductions
11 and contributions standing to the member's credit in the
12 members' savings account.

13 "Military service." All active military service for which a
14 member has received a discharge other than an undesirable, bad
15 conduct, or dishonorable discharge.

16 "Multiple service." Credited service of a member who has
17 elected to combine his credited service in both the Public
18 School Employees' Retirement System and the State Employees'
19 Retirement System.

20 "Noneligible member." For the purposes of section 8325.1
21 (relating to annual compensation limit under IRC § 401(a)(17)),
22 a member who first became a member on or after July 1, 1996.

23 "Participating eligible annuitants." All eligible annuitants
24 who are enrolled or elect to enroll in a health insurance
25 program approved by the Public School Employees' Retirement
26 Board.

27 "Pickup contributions." Regular or joint coverage member
28 contributions and shared-risk member contributions which are
29 made by the employer for active members for current service on
30 and after January 1, 1983.

1 "Previous school service." Service rendered as a school
2 employee including service in any summer school conducted by a
3 school district of the Commonwealth prior to the member's most
4 recent entrance in the system.

5 "Public school." Any or all classes or schools within this
6 Commonwealth conducted under the order and superintendence of
7 the Department of Education including, but not limited to: all
8 educational classes of any employer charged with the
9 responsibility of public education within this Commonwealth as
10 well as those classes financed wholly or in part by the Federal
11 Government, State-owned colleges and universities, the
12 Pennsylvania State University, community colleges, area
13 vocational-technical schools, intermediate units, the State
14 Board of Education, Scotland School for Veterans' Children,
15 Thaddeus Stevens State School of Technology, and the
16 Pennsylvania State Oral School for the Deaf.

17 "Public School Code." The act of March 10, 1949 (P.L.30,
18 No.14), known as the Public School Code of 1949.

19 "Reemployed from USERRA leave." Resumption of active
20 membership as a school employee after a period of USERRA leave,
21 if the resumption of active membership was within the time
22 period and under conditions and circumstances such that the
23 school employee was entitled to reemployment rights under 38
24 U.S.C. Ch. 43 (relating to employment and reemployment rights of
25 members of the uniformed services).

26 "Regular member contributions." The product of the basic
27 contribution rate and the compensation of the member.

28 "Reserve component of the armed forces." The United States
29 Army Reserve, United States Navy Reserve, United States Marine
30 Corps Reserve, United States Coast Guard Reserve, United States

1 Air Force Reserve, Pennsylvania Army National Guard and
2 Pennsylvania Air National Guard.

3 "Salaried employee." A school employee who is compensated on
4 the basis of an annual salary.

5 "Salary deductions." The amounts certified by the board,
6 deducted from the compensation of an active member or the State
7 service compensation of a multiple service member who is an
8 active member of the State Employees' Retirement System and paid
9 into the fund.

10 "School employee." Any person engaged in work relating to a
11 public school for any governmental entity and for which work he
12 is receiving regular remuneration as an officer, administrator
13 or employee excluding, however, any independent contractor or a
14 person compensated on a fee basis.

15 "School entity." A school district of any class,
16 intermediate unit or an area vocational-technical school, as
17 provided for under the act of March 10, 1949 (P.L.30, No.14),
18 known as the Public School Code of 1949.

19 "School service." Service rendered as a school employee.

20 "School year." The 12-month period which the governmental
21 entity uses for purposes of administration regardless of the
22 actual time during which a member renders service.

23 "Severance payments." Any payments for unused vacation or
24 sick leave and any additional compensation contingent upon
25 retirement including payments in excess of the scheduled or
26 customary salaries provided for members within the same
27 governmental entity with the same educational and experience
28 qualifications who are not terminating service.

29 "Shared-risk contribution rate." The additional contribution
30 rate that is added to the basic contribution rate for Class T-E

1 and T-F members, as provided for in section 8321(b) (relating to
2 regular member contributions for current service).

3 "Standard single life annuity." For Class T-A, T-B and T-C
4 credited service of a member, an annuity equal to 2% of the
5 final average salary, multiplied by the total number of years
6 and fractional part of a year of credited service of a member.
7 For Class T-D credited service of a member, an annuity equal to
8 2.5% of the final average salary, multiplied by the total number
9 of years and fractional part of a year of credited service. For
10 Class T-E credited service of a member, an annuity equal to 2%
11 of the final average salary, multiplied by the total number of
12 years and fractional part of a year of credited service of a
13 member. For Class T-F credited service of a member, an annuity
14 equal to 2.5% of the final average salary, multiplied by the
15 total number of years and fractional part of a year of credited
16 service of a member.

17 "State Employees' Retirement System." The retirement system
18 established by the act of June 27, 1923 (P.L.858, No.331) and
19 codified by the act of June 1, 1959 (P.L.392, No.78) and by Part
20 XXV of Title 71 (relating to retirement for State employees and
21 officers), added March 1, 1974 (P.L.125, No.31).

22 "State service." Service rendered as a State employee and
23 credited as service in the State Employees' Retirement System.

24 "Statutory interest." Interest at 4% per annum, compounded
25 annually.

26 "Superannuation annuitant." An annuitant whose annuity first
27 became payable on or after the attainment of superannuation age
28 and who is not a disability annuitant.

29 "Superannuation or normal retirement age."

30 Class of service Age

1	T-A	62 or any age upon accrual of
2		35 eligibility points
3	T-B	62
4	T-C and T-D	62 or age 60 provided the
5		member has at least 30
6		eligibility points or any
7		age upon accrual of 35
8		eligibility points
9	T-E and T-F	65 with accrual of at least
10		three eligibility points
11		or a combination of age
12		and eligibility points
13		totaling 92, provided the
14		member has accrued at
15		least 35 eligibility
16		points

17 "Survivor annuitant." The person or persons last designated
 18 by a member under a joint and survivor annuity option to receive
 19 an annuity upon the death of such member.

20 "System." The Public School Employees' Retirement System of
 21 Pennsylvania as established by the act of July 18, 1917
 22 (P.L.1043, No.343), and codified by the act of June 1, 1959
 23 (P.L.350, No.77).

24 "Total member contribution rate." The sum of the basic
 25 contribution rate and the shared-risk contribution rate.

26 "USERRA." The Uniformed Services Employment and Reemployment
 27 Rights Act, 38 U.S.C. Ch. 43 (relating to employment and
 28 reemployment rights of members of the uniformed services).

29 "USERRA leave." Any period of time for service in the
 30 uniformed services as defined in 38 U.S.C. Ch. 43 (relating to

1 employment and reemployment rights of members of the uniformed
2 services) by a school employee or former school employee who
3 terminated school service to perform the service in the
4 uniformed services, if the current or former school employee is
5 entitled to reemployment rights under 38 U.S.C. Ch. 43 with
6 respect to the uniformed service.

7 "Valuation interest." Interest at 5 1/2% per annum,
8 compounded annually and applied to all accounts other than the
9 members' savings account.

10 "Vestee." A member with five or more eligibility points who
11 has terminated school service, has left his accumulated
12 deductions in the fund and is deferring filing of an application
13 for receipt of an annuity. For Class T-E and Class T-F members,
14 a member with ten or more eligibility points who has terminated
15 school service, has left his accumulated deductions in the fund
16 and is deferring filing of an application for receipt of an
17 annuity.

18 Section 2. Section 8302(b.1) of Title 24 is amended by
19 adding a paragraph and the section is amended by adding a
20 subsection to read:

21 § 8302. Credited school service.

22 * * *

23 (b.1) Optional credit for leave of absence for activated
24 military service.--

25 * * *

26 (4) This subsection shall apply to leaves of absence for
27 activated military service that commence on or before June
28 30, 2013.

29 * * *

30 (d) Credit for military service.--

1 (1) For purposes of determining whether a member is
2 eligible to receive credited service for a period of active
3 military service, other than active duty service to meet
4 periodic training requirements, rendered after August 5, 1991
5 and that began before the effective date of this paragraph,
6 the provisions of 51 Pa.C.S. Ch. 73 (relating to military
7 leave of absence) shall apply to all individuals who were
8 active members of the system when the period of military
9 service began, notwithstanding if the member is not defined
10 as an employee under 51 Pa.C.S. § 7301 (relating to
11 definitions). School employees may not receive service credit
12 or exercise the options under 51 Pa.C.S. § 7306(a), (b) and
13 (c) (relating to retirement rights) for military leaves that
14 begin on or after the effective date of this subsection,
15 except otherwise provided under this subsection.

16 (2) A school employee who has performed USERRA leave may
17 receive credit as provided by this paragraph.

18 (i) A school employee who is reemployed from USERRA
19 leave shall be treated as not having incurred a break in
20 school service by reason of the USERRA leave and shall be
21 granted eligibility points as if the school employee had
22 not been on the USERRA leave. If a school employee who is
23 reemployed from USERRA leave subsequently makes regular
24 member contributions, shared risk member contributions
25 and any other member contributions in the amounts and in
26 the time periods required by 38 U.S.C. Ch. 43 and IRC §
27 414(u) as if the school employee had continued in his
28 school office or employment and performed school service
29 and been compensated during the period of USERRA leave,
30 the school employee shall be granted school service

1 credit for the period of USERRA leave. The employee shall
2 have his benefits, rights and obligations determined
3 under this part as if he was an active member who
4 performed creditable school service during the USERRA
5 leave in the job position that he would have held had he
6 not been on USERRA leave and received the compensation on
7 which the member contributions to receive school service
8 credit for the USERRA leave were determined.

9 (ii) For purposes of determining whether a school
10 employee has made the required employee contributions for
11 School service credit for USERRA leave, if an employee
12 who is reemployed from USERRA leave terminates school
13 service or dies in school service before the expiration
14 of the allowed payment period, school service credit for
15 the USERRA leave shall be granted as if the required
16 member contributions were paid the day before termination
17 or death. The amount of the required member contributions
18 shall be treated as an incomplete payment subject to the
19 provisions of section 8325 (relating to incomplete
20 payments). Upon a subsequent return to school service or
21 to State service as a multiple service member, the
22 required member contributions treated as incomplete
23 payments shall be treated as member contributions that
24 were either withdrawn in a lump sum at termination, or
25 paid as a lump sum under section 8345(a)(4) (relating to
26 member's options).

27 (iii) A school employee who is reemployed from
28 USERRA leave and who does not make the required member
29 contributions or makes only part of the required member
30 contributions within the allowed payment period shall not

1 be:

2 (A) Granted credited service for the period of
3 USERRA leave for which the required member
4 contributions were not timely made

5 (B) Eligible to subsequently make contributions.

6 (C) Granted either school service credit or
7 nonschool service credit for the period of USERRA
8 leave for which the required member contributions
9 were not timely made.

10 (3) A school employee who performs USERRA leave from
11 which the employee could have been reemployed from USERRA
12 leave had the School employee returned to school service in
13 the time frames required by 38 U.S.C. Ch. 43 for reemployment
14 rights, but did not do so, shall be able to receive
15 creditable nonschool service as nonintervening military
16 service for the period of USERRA leave if the employee later
17 returns to school service and is otherwise eligible to
18 purchase the service as nonintervening military service.

19 (4) A school employee who, on or after the effect date
20 of this subsection, is granted a leave of absence under
21 section 1178 of the act of March 10, 1949 (P.L.30, No.14),
22 known as the Public School Code of 1949, a leave of absence
23 under 51 Pa.C.S. § 4102 (relating to leaves of absence for
24 certain government employees) or a military leave under the
25 51 Pa.C.S. Ch. 73, that is not USERRA leave shall be able to
26 receive creditable nonschool service as nonintervening
27 military service should the employee return to school service
28 and is otherwise eligible to purchase the service as
29 nonintervening military service.

30 (5) If a member dies while performing USERRA leave, the

1 beneficiaries or survivor annuitants of the deceased member
2 shall be entitled to any additional benefits, including
3 eligibility points, other than benefit accruals relating to
4 the period of qualified military service, provided under this
5 part as if the member resumed and then terminated employment
6 on account of death.

7 (6) A school employee who is on a leave of absence from
8 his duties as a school employee and for which 51 Pa.C.S. §
9 4102 provides that he is not to suffer a loss of pay, time or
10 efficiency shall not be an active member, receive service
11 credit or make member contributions for the leave of absence
12 except as provided for in this part. Notwithstanding this
13 paragraph, any pay the member receives under section 1178 of
14 the Public School Code of 1949 or 51 Pa.C.S. § 4102 shall be
15 included in the determination of final average salary and
16 other calculations utilizing compensation as if the payments
17 were compensation under this part.

18 Section 3. Section 8303 of Title 24 is amended by adding a
19 subsection to read:

20 § 8303. Eligibility points for retention and reinstatement of
21 service credits.

22 * * *

23 (b.1) USERRA leave.--A member who is reemployed from USERRA
24 leave or who dies while performing USERRA leave shall receive
25 eligibility points in accordance with section 8306 for the
26 school service that would have been performed had the member not
27 performed USERRA leave.

28 * * *

29 Section 4. Sections 8304(b) and 8305.2(b) of Title 24 are
30 amended to read:

1 § 8304. Creditable nonschool service.

2 * * *

3 (b) Limitations on nonschool service.--Creditable nonschool
4 service credit shall be limited to:

5 (1) Intervening military service, if the member returned
6 to school service before July 1, 2013.

7 (2) Military service other than intervening military
8 service [and], activated military service or service
9 performed during USERRA leave not exceeding five years
10 provided that a member with multiple service may not purchase
11 more than a total of five years of military service in both
12 the system and the State Employees' Retirement System.

13 (3) Service in any public school or public educational
14 institution in any state other than this Commonwealth or in
15 any territory or area under the jurisdiction of the United
16 States. This paragraph includes service, prior to July 1,
17 1965, at a community college established under the act of
18 August 24, 1963 (P.L.1132, No.484), known as the Community
19 College Act of 1963.

20 (4) Service as an administrator, teacher, or instructor
21 in the field of public school education for any agency or
22 department of the government of the United States whether or
23 not such area was under the jurisdiction of the United
24 States.

25 (5) Previous service as an employee of a county board of
26 school directors which employment was terminated because of
27 the transfer of the administration of such service or of the
28 entire agency to a governmental entity.

29 (6) Previous service as a county employee as a nurse.
30 For every three years or major fraction thereof in previous

1 work experience, an individual may buy one year of creditable
2 service, not to exceed a total of five years. The purchase of
3 this service shall begin within three years of the employee's
4 eligibility to purchase this creditable service.

5 (7) (i) Service for the period of time spent on a
6 maternity leave of absence required by the employer,
7 which creditable service shall not exceed two years per
8 leave and shall be applicable only to a maternity leave
9 which was mandatory prior to May 17, 1975. The purchase
10 of this service shall begin within one year of the
11 employee's eligibility to purchase the creditable service
12 under this subparagraph as originally enacted by the act
13 of August 5, 1991 (P.L.183, No.23), entitled "An act
14 amending Titles 24 (Education) and 71 (State Government)
15 of the Pennsylvania Consolidated Statutes, further
16 providing for the Public School Employees' Retirement
17 System and the State Employees' Retirement System; adding
18 and amending certain definitions; further providing for
19 membership in the systems, for creditable nonschool and
20 nonstate service and the purchase of credit, for
21 incentives for special early retirement, for
22 contributions to the retirement funds, for annuities and
23 the rights and duties of annuitants, for health insurance
24 premium assistance, for board membership and for the re-
25 amortization and management of the retirement funds."

26 (ii) Service for the period of time spent on a
27 maternity leave of absence required by the employer,
28 which creditable service shall not exceed two years per
29 leave and shall be applicable only to a maternity leave
30 that was mandatory and began after May 16, 1975, and

1 prior to November 1, 1978. The purchase of this service
2 shall begin within one year of the employee's eligibility
3 to purchase the creditable service under this
4 subparagraph.

5 (8) Service in the Cadet Nurse Corps with respect to any
6 period of training as a student or graduate nurse under a
7 plan approved under section 2 of the act of June 15, 1943
8 (Public Law 78-73, 57 Stat. 153), if the total period of
9 training under the plan was at least two years, the credit
10 for such service not to exceed three years.

11 * * *

12 § 8305.2. Election to become a Class T-F member.

13 * * *

14 (b) Time for making election.--A member must elect to become
15 a Class T-F member by filing a written election with the board
16 within 45 days of notification by the board that such member is
17 eligible for such election. A school employee who is eligible to
18 elect to become a Class T-F member who begins USERRA leave
19 during the election period without having elected Class T-F
20 membership may make the election within 45 days after being
21 reemployed from USERRA leave.

22 * * *

23 Section 5. Section 8306(b) of Title 24 is amended and the
24 section is amended by adding a subsection to read:

25 § 8306. Eligibility points.

26 * * *

27 (a.1) USERRA leave.--A member who is reemployed from USERRA
28 leave or who dies while performing USERRA leave shall be granted
29 the eligibility points that he would have accrued had he
30 continued in his school office or employment instead of

1 performing USERRA leave. If a school employee who is reemployed
2 from USERRA leave makes the member contributions to be granted
3 school service credit for the USERRA leave, no additional
4 eligibility points may be granted.

5 (b) Transitional rule.--For the purposes of the transition:

6 (1) In determining whether a member, other than a
7 disability annuitant who returns to school service after June
8 30, 2001, upon termination of the disability annuity, who is
9 not a school employee or a State employee on June 30, 2001,
10 and July 1, 2001, and who has previous school service, has
11 the five eligibility points required by the definition of
12 "vestee" in sections 8102 (relating to definitions), 8307
13 (relating to eligibility for annuities), 8308 (relating to
14 eligibility for vesting) and 8345 (relating to member's
15 options), only eligibility points earned by performing
16 credited school service, USERRA leave or credited State
17 service after June 30, 2001, shall be counted until such
18 member earns one eligibility point by performing credited
19 school service or credited State service after June 30, 2001,
20 at which time all eligibility points as determined under
21 subsection (a) shall be counted.

22 (2) A member subject to paragraph (1) shall be
23 considered to have satisfied any requirement for five
24 eligibility points contained in this part if the member has
25 at least ten eligibility points determined under subsection
26 (a).

27 Section 6. Section 8325 of Title 24 is amended to read:

28 § 8325. Incomplete payments.

29 In the event that a member terminates school service or a
30 multiple service member who is an active member of the State

1 Employees' Retirement System terminates State service before any
2 agreed upon payments for USERRA leave or return of benefits on
3 account of returning to school service or entering State service
4 and electing multiple service have been completed, the member or
5 multiple service member who is an active member of the State
6 Employees' Retirement System shall have the right to pay within
7 30 days of termination of school service or State service the
8 balance due, including interest, in a lump sum, and the annuity
9 shall be calculated including full credit for the previous
10 school service, creditable nonschool service, or full-coverage
11 membership. In the event a member does not pay the balance due
12 within 30 days of termination of school service or in the event
13 a member dies in school service or within 30 days of termination
14 of school service or in the case of a multiple service member
15 who is an active member of the State Employees' Retirement
16 System does not pay the balance due within 30 days of
17 termination of State service or dies in State service or within
18 30 days of termination of State service and before the agreed
19 upon payments have been completed, the present value of the
20 benefit otherwise payable shall be reduced by the balance due,
21 including interest, and the benefit payable shall be calculated
22 as the actuarial equivalent of such reduced present value.

23 Section 7. Section 8326 of Title 24 is amended by adding a
24 section to read:

25 § 8326. Contributions by the Commonwealth.

26 * * *

27 (d) Contributions resulting from members reemployed from
28 USERRA leave.--When a school employee reemployed from USERRA
29 leave makes the member contributions required to be granted
30 School service credit for the USERRA leave, either by actual

1 payment or by actuarial debt under section 8325 (relating to
2 incomplete payments), the Commonwealth employer or other
3 employer by whom the School employee is employed at the time the
4 member contributions are made, or the last employer before
5 termination in the case of payment under sections 8327 (relating
6 to payments by employers) and 8535 (relating to payments to
7 school entities by Commonwealth), shall make any employer
8 contributions that would have been made under this section as if
9 the employee making the member contributions after being
10 reemployed from USERRA leave continued to be employed in his
11 school office or position instead of performing USERRA leave.

12 Section 8. Section 8346(d) of Title 24 is amended and the
13 section is amended by adding a subsection to read:

14 § 8346. Termination of annuities.

15 * * *

16 (a.2) Return of benefits paid during USERRA leave.--If a
17 former school employee is reemployed from USERRA leave who had
18 received any payments or annuity from the system during the
19 USERRA leave, the employee shall return to the board the amount
20 received plus statutory interest. The amount payable shall be
21 certified by the board in accordance with methods approved by
22 the actuary and:

23 (1) shall be paid in a lump sum within 30 days; or

24 (2) in the case of an active member, may be amortized
25 with statutory interest through salary deductions in amounts
26 agreed upon by the member and the board for not longer than a
27 period that starts with the date of reemployment and
28 continuing for up to three times the length of the member's
29 immediate past period of USERRA leave. A repayment period
30 under this paragraph may not exceed five years or a longer

1 time as agreed to between the board and the member.

2 * * *

3 (d) Elimination of the effect of frozen present value.--

4 (1) An annuitant who returns to school service and earns
5 three eligibility points by performing credited school
6 service or reemployment from USERRA leave following the most
7 recent period of receipt of an annuity under this part, or an
8 annuitant who enters State service and:

9 (i) is a multiple service member; or

10 (ii) who elects multiple service membership, and
11 earns three eligibility points by performing credited State
12 service, reemployment from USERRA leave or credited school
13 service following the most recent period of receipt of an
14 annuity under this part, and who had the present value of his
15 annuity frozen in accordance with subsection (a), shall
16 qualify to have the effect of the frozen present value
17 resulting from all previous periods of retirement eliminated,
18 provided that all payments under Option 4 and annuity
19 payments payable during previous periods of retirement plus
20 interest as set forth in paragraph (3) shall be returned to
21 the fund in the form of an actuarial adjustment to his
22 subsequent benefits or in such form as the board may
23 otherwise direct.

24 (2) Upon subsequent discontinuance of service and the
25 filing of an application for an annuity, a former annuitant
26 who qualifies to have the effect of a frozen present value
27 eliminated under this subsection shall be entitled to receive
28 the higher of either:

29 (i) an annuity (prior to optional modification)

30 calculated as if the freezing of the former annuitant's

1 account pursuant to subsection (a) had not occurred,
2 adjusted by crediting Class T-C school service as Class
3 T-D service as provided for in section 8305(c) (relating
4 to classes of service) and further adjusted according to
5 paragraph (3), provided that a former annuitant of the
6 system or a former annuitant of the State Employees'
7 Retirement System who retired under a provision of law
8 granting additional service credit if termination of
9 school or State service or retirement occurred during a
10 specific period of time shall not be permitted to retain
11 the additional service credit under the prior law when
12 the annuity is computed for his most recent retirement;
13 or

14 (ii) an annuity (prior to optional modification)
15 calculated as if the former annuitant did not qualify to
16 have the effect on the frozen present value eliminated,
17 unless the former annuitant notifies the board in writing by
18 the later of the date the application for annuity is filed or
19 the effective date of retirement that the former annuitant
20 wishes to receive the lower annuity.

21 (3) In addition to any other adjustment to the present
22 value of the maximum single life annuity that a member may be
23 entitled to receive that occurs as a result of any other
24 provision of law, the present value of the maximum single
25 life annuity shall be reduced by all amounts paid or payable
26 to him during all previous periods of retirement plus
27 interest on these amounts until the date of subsequent
28 retirement. The interest for each year shall be calculated
29 based upon the annual interest rate adopted for that school
30 year by the board for the calculation of the normal

1 contribution rate pursuant to section 8328(b) (relating to
2 actuarial cost method).

3 Section 9. Sections 8347(a) and (b), 8502(m) and 8505(h) of
4 Title 24 are amended to read:

5 § 8347. Death benefits.

6 (a) Members eligible for annuities.--Any member or former
7 member on USERRA leave, other than an annuitant, who dies and
8 was eligible for an annuity in accordance with section 8307(a)
9 or (b) (relating to eligibility for annuities) shall be
10 considered as having applied for an annuity to become effective
11 the day before his death; and, in the event he has not elected
12 an option, it shall be assumed that he elected Option 1 and
13 assigned as beneficiary that person last designated in writing
14 to the board.

15 (b) Members ineligible for annuities.--In the event of the
16 death of any member or former member on USERRA leave, other than
17 an annuitant, who is not entitled to a death benefit as provided
18 in subsection (a), his designated beneficiary shall be paid the
19 full amount of his accumulated deductions.

20 * * *

21 § 8502. Administrative duties of board.

22 * * *

23 (m) Member contributions and interest.--The board shall
24 cause each member's contributions, including payroll deductions,
25 pickup contributions and all other payments, including, but not
26 limited to, amounts collected by the State Employees' Retirement
27 System for the reinstatement of previous school service or
28 creditable nonschool service and amounts paid to return benefits
29 paid after the date of return to school service or entering
30 State service representing lump sum payments made pursuant to

1 section 8345(a)(4)(iii) (relating to member's options) and
2 member's annuity payments, but not including other benefits
3 returned pursuant to section 8346(a.1) (relating to termination
4 of annuities) and section 8346(a.2), to be credited to the
5 account of such member and shall pay all such amounts into the
6 fund. Such contributions shall be credited with statutory
7 interest until date of termination of service, except in the
8 case of a vestee, who shall have such interest credited until
9 the effective date of retirement or until the return of his
10 accumulated deductions, if he so elects; and in the case of a
11 multiple service member who shall have such interest credited
12 until termination of service in both the school and the State
13 systems.

14 * * *

15 § 8505. Duties of board regarding applications and elections of
16 members.

17 * * *

18 (h) Death benefits.--Upon receipt of notification of the
19 death of a member or former member on USERRA leave, the board
20 shall notify the designated beneficiary or survivor annuitant of
21 the benefits to which he is entitled and shall make the first
22 payment to the beneficiary under the plan elected by the
23 beneficiary within 60 days of receipt of certification of death
24 and other necessary data. If no beneficiary designation is in
25 effect at the date of the member's death or no notice has been
26 filed with the board to pay the amount of such benefits to the
27 member's estate, the board is authorized to pay such benefits to
28 the executor, administrator, surviving spouse or next-of-kin of
29 the deceased member, and payment pursuant hereto shall fully
30 discharge the fund from any further liability to make payment of

1 such benefits to any other person. If the surviving spouse or
2 next-of-kin of the deceased member cannot be found for the
3 purpose of paying such benefits for a period of seven years from
4 the date of death of the member, then such benefits shall be
5 escheated to the Commonwealth for the benefit of the fund.

6 * * *

7 Section 10. Section 8506 of Title 24 is amended by adding a
8 subsection to read:

9 § 8506. Duties of employers.

10 * * *

11 (k) School employees performing USERRA or military-related
12 leave of absence.--The employer shall report to the board all of
13 the following:

14 (1) Any school employee who:

15 (i) ceases to be an active member to perform USERRA
16 service; or

17 (ii) is granted a leave of absence under 51 Pa.C.S.
18 § 4102 (relating to leaves of absence for certain
19 government employees) or a military leave of absence
20 under 51 Pa.C.S. § 7302 (relating to granting military
21 leaves of absence).

22 (2) The date on which the USERRA service, leave of
23 absence or military leave of absence under began.

24 (3) The date on which the school employee is reemployed
25 from USERRA leave or returns after the leave of absence or
26 military leave of absence, if applicable.

27 (4) Any other information the board may require.

28 Section 11. Section 8507(c) of Title 24 is amended and the
29 section is amended by adding a subsection to read:

30 § 8507. Rights and duties of school employees and members.

1 * * *

2 (c) Multiple service membership.--Any active member who was
3 formerly an active member in the State Employees' Retirement
4 System may elect to become a multiple service member. Such
5 election shall occur no later than 365 days after becoming an
6 active member in this system. A school employee who is eligible
7 to elect to become a multiple service member and who begins
8 USERRA leave during the election period without having elected
9 multiple service membership may make the election within 365
10 days after being reemployed from USERRA leave.

11 * * *

12 (d.1) School service for USERRA leave.--Any active member or
13 inactive member on leave without pay who was reemployed from
14 USERRA leave and who desires to receive school service credit
15 for his USERRA leave shall notify the board within the time
16 period required under 38 U.S.C. Chapter 43 (relating to
17 employment and reemployment rights of members of the uniformed
18 services) and IRC §414(u) of his desire to make the required
19 member contributions. Upon making the required member
20 contributions within the allowed time period, the member shall
21 receive credit for the service as of the date the contributions
22 are made.

23 * * *

24 Section 12. Section 7306(a) of Title 51, amended October 24,
25 2012 (P.L.1436, No.181), is amended and the section is amended
26 by adding a subsection to read:

27 § 7306. Retirement rights.

28 (a) Options available to employees.--Any employee who is a
29 member of a retirement system other than an active member or
30 inactive member on leave without pay of the State Employees'

1 Retirement System or an active or inactive member of the Public
2 School Employees' Retirement System at the time he is granted a
3 military leave of absence shall be entitled to exercise any one
4 of the following options in regard thereto:

5 (1) He may continue to make regular payments into the
6 fund during the period of his military leave of absence. The
7 amount of such payments shall be the same as they would have
8 been, had he not been granted a military leave of absence,
9 but had instead remained actively in his employment. The time
10 of making such payments shall be mutually agreed upon by the
11 employee and the retirement association of which he is a
12 member, but in no event shall be less frequent than
13 semiannually. The employer shall make its contributions on
14 the same basis as is used to compute the employee's
15 contributions. In this case, his retirement rights shall be
16 determined on the basis that he was in the active, continuous
17 and uninterrupted employ of his employer for the period
18 during which he was on military leave of absence.

19 (2) He may discontinue making payments into the fund
20 during the period of his military leave of absence. In such
21 event, the employer shall also discontinue making its
22 contributions during this period. In this case, his
23 retirement rights shall be determined by completely
24 disregarding the period of his military leave of absence for
25 all purposes.

26 * * *

27 (e) Members of Public School Employees' Retirement System.--
28 An employee who is an active member or inactive member of the
29 Public School Employees' Retirement System at the time he is
30 granted a military leave of absence shall be entitled to receive

1 credit in the Public School Employees' Retirement System for the
2 leave as provided under 24 Pa.C.S. Pt. IV (relating to
3 retirement for school employees).

4 Section 13. This act shall apply as follows:

5 (1)(i) Except as provided under subparagraph (ii), the
6 amendment of 24 Pa.C.S. Pt. IV shall apply to leaves of
7 absence, military leaves of absence and leaves pursuant to 38
8 U.S.C. Ch. 43 that are granted on or after the effective date
9 of this section.

10 (ii) If a member died performing uniformed service
11 under 38 U.S.C. Ch. 43, the amendment of 24 Pa.C.S. Pt.
12 IV shall apply to leaves of absence, military leaves of
13 absence and leaves pursuant to 38 U.S.C. Ch. 43 that were
14 granted on or after December 31, 2006.

15 (2) The amendment or addition of 51 Pa.C.S. § 7306(a)
16 and (e) shall apply to leaves of absence or military leaves
17 of absence that are granted on or after the effective date of
18 this section.

19 Section 14. Notwithstanding the provisions of 24 Pa.C.S. §
20 8503(b), the statement for each member prepared by the Public
21 School Employees' Retirement Board for the period ending June
22 30, 2013, and any other statements or estimates of benefits
23 prepared by the board under 24 Pa.C.S. Pt. IV from the effective
24 date of this section to June 30, 2014, shall not be required to
25 reflect the provisions of this act.

26 Section 15. Notwithstanding the provisions of 24 Pa.C.S. Pt.
27 IV, the obligation of the Public School Employees' Retirement
28 Board to make payments to any individual whose rights, benefits
29 and obligations are affected by this act within specified time
30 periods of the receipt of applications for benefits or other

1 information shall not apply from the effective date of this
2 section to June 30, 2014.

3 Section 16. The board shall have the authority to:

4 (1) Implement the requirements of 24 Pa.C.S. Pt IV.
5 pertaining to school employees on USERRA leave or who have
6 been granted a leave of absence under 51 Pa.C.S. § 4102, a
7 leave of absence under 24 Pa.C.S. Pt IV or a military leave
8 of absence under 51 Pa.C.S. § 7302.

9 (2) Establish administrative, reporting and payment
10 requirements and processes pertaining to the leaves
11 applicable to employers and members.

12 Section 17. Nothing under this act shall be deemed to permit
13 the restoration of service credit or retirement benefits which
14 were or are subject to 42 Pa.C.S. § 3352 or the subject of an
15 order of forfeiture pursuant to the act of July 8, 1978
16 (P.L.752, No.140), known as the Public Employee Pension
17 Forfeiture Act.

18 Section 18. Nothing under this act shall be construed or
19 deemed to imply that any interpretation or application of the
20 provisions of 24 Pa.C.S. Pt. IV or benefits available to members
21 of the Public School Employees' Retirement System was not in
22 accordance with the provisions of 24 Pa.C.S. Pt. IV or other
23 applicable law, including the Internal Revenue Code of 1986
24 (Public Law 99-514, 26 U.S.C. § 1 et seq.) prior to the
25 effective date of this section. It is the express intent of the
26 General Assembly that nothing under this act shall be construed
27 to grant to or be deemed to imply that this act expands,
28 contracts or otherwise affects any contractual rights, either
29 expressed or implied, or any other constitutionally protected
30 rights, in the terms and conditions of the Public School

1 Employees' Retirement System or other pension or retirement
2 benefits as a State employee, including, but not limited to,
3 benefits, options, rights or privileges established by 24
4 Pa.C.S. Pt. IV for any current or former public school
5 employees.

6 Section 19. This act shall be construed and administered in
7 such a manner that the Public School Employees' Retirement
8 System will satisfy the requirements necessary to qualify as a
9 qualified pension plan under section 401(a) and other applicable
10 provisions of the Internal Revenue Code of 1986 (Public Law 99-
11 514, 26 U.S.C. § 1 et seq.) and 38 U.S.C. Ch. 43. The rules,
12 regulations and procedures adopted and promulgated by the State
13 Employees' Retirement Board under 24 Pa.C.S. § 8502(h) may
14 include those necessary to accomplish the purpose of this
15 section.

16 Section 20. The following shall apply:

17 (1) The amendment of 51 Pa.C.S. § 7306 or 24 Pa.C.S. Pt.
18 IV shall not:

19 (i) Create in any member of the Public School
20 Employees' Retirement System or in any other person
21 claiming an interest in the account of any member a
22 contractual right, either expressed or implied, in
23 relation to requirements for qualification of the Public
24 School Employees' Retirement System as a qualified
25 pension plan under the Internal Revenue Code of 1986
26 (Public Law 99-514, 26 U.S.C. § 1 et seq.).

27 (ii) Establish compliance with or affect any
28 construction of:

29 (A) 38 U.S.C. Ch. 43.

30 (B) 24 Pa.C.S. Pt. IV or any rules or

1 regulations adopted under 24 Pa.C.S. Pt. IV.

2 (2) The provisions of 24 Pa.C.S. Pt. IV shall remain
3 subject to the Internal Revenue Code of 1986, and the General
4 Assembly reserves to itself the further exercise of its
5 legislative power to amend or supplement the provisions as
6 may be required in order to maintain the qualification of the
7 system as a qualified pension plan under section 401(a) and
8 other applicable provisions of the Internal Revenue Code of
9 1986 and 38 U.S.C. Ch. 43.

10 Section 21. References in this act to the Internal Revenue
11 Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et. Seq.) or 38
12 U.S.C. Ch. 43, including for this purpose administrative
13 regulations promulgated under those acts, are intended to
14 include laws and regulations in effect on the effective date of
15 this section and as they may be amended or supplemented or
16 supplanted by successor provisions after the effective date of
17 this section.

18 Section 22. This act shall take effect July 1, 2013, or
19 immediately, whichever is later.