

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 315 Session of
2001

INTRODUCED BY GERLACH, TARTAGLIONE, COSTA, CONTI, TOMLINSON,
DENT AND SCHWARTZ, FEBRUARY 6, 2001

AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF
REPRESENTATIVES, AS AMENDED, NOVEMBER 26, 2002

AN ACT

1 Amending Title 71 (State Government) of the Pennsylvania
2 ~~Consolidated Statutes, further providing for retention and~~ <—
3 ~~reinstatement of service credits.~~ CONSOLIDATED STATUTES, <—
4 FURTHER DEFINING "CLASS OF SERVICE MULTIPLIER"; FURTHER
5 PROVIDING FOR CREDITED STATE SERVICE, FOR RETENTION AND
6 REINSTATEMENT OF SERVICE CREDITS AND FOR CLASSES OF SERVICE;
7 PROVIDING FOR ELECTION TO BECOME A CLASS C-1 MEMBER; AND
8 FURTHER PROVIDING FOR CONTRIBUTIONS BY THE COMMONWEALTH AND
9 OTHER EMPLOYERS AND FOR ACTUARIAL COST METHOD.

10 The General Assembly of the Commonwealth of Pennsylvania
11 hereby enacts as follows:

12 ~~Section 1. Section 5303 of Title 71 of the Pennsylvania~~ <—
13 ~~Consolidated Statutes is amended by adding a subsection to read:~~
14 ~~§ 5303. Retention and reinstatement of service credits.~~

15 * * *

16 SECTION 1. THE DEFINITION OF "CLASS OF SERVICE MULTIPLIER" <—
17 IN SECTION 5102 OF TITLE 71 OF THE PENNSYLVANIA CONSOLIDATED
18 STATUTES IS AMENDED TO READ:

19 § 5102. DEFINITIONS.

20 THE FOLLOWING WORDS AND PHRASES AS USED IN THIS PART, UNLESS

1 A DIFFERENT MEANING IS PLAINLY REQUIRED BY THE CONTEXT, SHALL
2 HAVE THE FOLLOWING MEANINGS:

3 * * *

4 "CLASS OF SERVICE MULTIPLIER."

5 CLASS OF SERVICE MULTIPLIER

6 A 1

7 AA FOR ALL PURPOSES
8 EXCEPT
9 CALCULATING REGULAR
10 MEMBER CONTRIBUTIONS

11 ON COMPENSATION
12 PAID PRIOR TO

13 JANUARY 1, 2002 1.25

14 AA FOR PURPOSES
15 OF CALCULATING
16 REGULAR MEMBER
17 CONTRIBUTIONS
18 ON COMPENSATION

19 PAID PRIOR TO
20 JANUARY 1, 2002 1

21 B .625

22 C 1

23 C-1 FOR ALL PURPOSES
24 EXCEPT
25 CALCULATING REGULAR
26 MEMBER CONTRIBUTIONS
27 ON COMPENSATION

28 PAID PRIOR TO
29 JANUARY 1, 2003 1.25

30 C-1 FOR PURPOSES

1		<u>OF</u>		
2		<u>CALCULATING REGULAR</u>		
3		<u>MEMBER CONTRIBUTIONS</u>		
4		<u>ON COMPENSATION</u>		
5		<u>PAID PRIOR TO</u>		
6		<u>JANUARY 1, 2003</u>	<u>1</u>	
7	D		1.25	
8	D-1	PRIOR TO		
9		JANUARY 1, 1973	1.875	
10	D-1	ON AND		
11		SUBSEQUENT TO		
12		JANUARY 1, 1973	1.731	
13	D-2	PRIOR TO		
14		JANUARY 1, 1973	2.5	
15	D-2	ON AND		
16		SUBSEQUENT TO		
17		JANUARY 1, 1973	1.731	
18	D-3	PRIOR TO		
19		JANUARY 1, 1973	3.75	
20	D-3	ON AND		
21		SUBSEQUENT TO		
22		JANUARY 1, 1973	1.731	EXCEPT PRIOR TO DECEMBER
23				1, 1974 AS APPLIED TO ANY
24				ADDITIONAL LEGISLATIVE
25				COMPENSATION AS AN OFFICER
26				OF THE GENERAL ASSEMBLY
27			3.75	
28	D-4	FOR ALL PURPOSES		
29		EXCEPT		
30		CALCULATING		

1		REGULAR MEMBER		
2		CONTRIBUTIONS		
3		ON COMPENSATION		
4		PAID PRIOR TO		
5		JULY 1, 2001	1.5	
6	D-4	FOR PURPOSES OF		
7		CALCULATING		
8		REGULAR MEMBER		
9		CONTRIBUTIONS		
10		ON COMPENSATION		
11		PAID PRIOR TO		
12		JULY 1, 2001	1	
13	E, E-1	PRIOR TO		
14		JANUARY 1, 1973	2	FOR EACH OF THE FIRST TEN
15				YEARS OF JUDICIAL SERVICE,
16				AND
17			1.5	FOR EACH SUBSEQUENT YEAR
18				OF JUDICIAL SERVICE
19	E, E-1	ON AND		
20		SUBSEQUENT TO		
21		JANUARY 1, 1973	1.50	FOR EACH OF THE FIRST
22				TEN YEARS OF JUDICIAL
23				SERVICE AND
24			1.125	FOR EACH SUBSEQUENT YEAR
25				OF JUDICIAL SERVICE
26	E-2	PRIOR TO		
27		SEPTEMBER 1, 1973	1.5	
28	E-2	ON AND		
29		SUBSEQUENT TO		
30		SEPTEMBER 1, 1973	1.125	

1	G	0.417
2	H	0.500
3	I	0.625
4	J	0.714
5	K	0.834
6	L	1.000
7	M	1.100
8	N	1.250
9	T-C (PUBLIC SCHOOL	1

10 EMPLOYEES '
11 RETIREMENT CODE)

12 * * *

13 SECTION 2. SECTION 5302(B)(2) OF TITLE 71 IS AMENDED TO
14 READ:

15 § 5302. CREDITED STATE SERVICE.

16 * * *

17 (B) CREDITABLE LEAVES OF ABSENCE.--

18 * * *

19 (2) AN ACTIVE MEMBER ON PAID LEAVE GRANTED BY AN
20 EMPLOYER FOR PURPOSES OF SERVING AS AN APPOINTED FULL-TIME
21 OFFICIAL AT HIS UNION RATE OF COMPENSATION OR AS AN ELECTED
22 FULL-TIME OFFICER FOR A STATEWIDE EMPLOYEE ORGANIZATION WHICH
23 IS A COLLECTIVE BARGAINING REPRESENTATIVE UNDER THE ACT OF
24 JUNE 24, 1968 (P.L.237, NO.111), REFERRED TO AS THE POLICEMEN
25 AND FIREMEN COLLECTIVE BARGAINING ACT, OR THE ACT OF JULY 23,
26 1970 (P.L.563, NO.195), KNOWN AS THE PUBLIC EMPLOYE RELATIONS
27 ACT: PROVIDED, THAT [SUCH LEAVE SHALL NOT BE FOR MORE THAN
28 THREE CONSECUTIVE TERMS OF THE SAME OFFICE; THAT] THE
29 EMPLOYER SHALL FULLY COMPENSATE THE MEMBER, INCLUDING, BUT
30 NOT LIMITED TO, SALARY, WAGES, PENSION AND RETIREMENT

1 CONTRIBUTIONS AND BENEFITS, OTHER BENEFITS AND SENIORITY, AS
2 IF HE WERE IN FULL-TIME ACTIVE SERVICE; AND THAT THE
3 STATEWIDE EMPLOYEE ORGANIZATION SHALL FULLY REIMBURSE THE
4 EMPLOYER FOR ALL EXPENSES AND COSTS OF SUCH PAID LEAVE,
5 INCLUDING, BUT NOT LIMITED TO, CONTRIBUTIONS AND PAYMENT IN
6 ACCORDANCE WITH SECTIONS 5501, 5505.1 AND 5507, IF THE
7 EMPLOYEE ORGANIZATION EITHER DIRECTLY PAYS, OR REIMBURSES THE
8 COMMONWEALTH OR OTHER EMPLOYER FOR, CONTRIBUTIONS MADE IN
9 ACCORDANCE WITH SECTION 5507.

10 * * *

11 SECTION 3. SECTION 5303(B)(1) OF TITLE 71 IS AMENDED AND THE
12 SECTION IS AMENDED BY ADDING A SUBSECTION TO READ:

13 § 5303. RETENTION AND REINSTATEMENT OF SERVICE CREDITS.

14 * * *

15 (B) ELIGIBILITY POINTS FOR PROSPECTIVE CREDITED SERVICE.--

16 (1) EVERY ACTIVE MEMBER OF THE SYSTEM OR A MULTIPLE
17 SERVICE MEMBER WHO IS A SCHOOL EMPLOYEE AND A MEMBER OF THE
18 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM ON OR AFTER THE
19 EFFECTIVE DATE OF THIS PART SHALL RECEIVE ELIGIBILITY POINTS
20 IN ACCORDANCE WITH SECTION 5307 FOR CURRENT STATE SERVICE,
21 PREVIOUS STATE SERVICE, OR CREDITABLE NONSTATE SERVICE UPON
22 COMPLIANCE WITH SECTIONS 5501 (RELATING TO REGULAR MEMBER
23 CONTRIBUTIONS FOR CURRENT SERVICE), 5504 (RELATING TO MEMBER
24 CONTRIBUTIONS FOR THE PURCHASE OF CREDIT FOR PREVIOUS STATE
25 SERVICE OR TO BECOME A FULL COVERAGE MEMBER), 5505 (RELATING
26 TO CONTRIBUTIONS FOR THE PURCHASE OF CREDIT FOR CREDITABLE
27 NONSTATE SERVICE), 5505.1 (RELATING TO ADDITIONAL MEMBER
28 CONTRIBUTIONS) OR 5506 (RELATING TO INCOMPLETE PAYMENTS).
29 SUBJECT TO THE LIMITATIONS IN SECTIONS 5306.1 (RELATING TO
30 ELECTION TO BECOME A CLASS AA MEMBER) [AND] 5306.2 (RELATING

1 TO ELECTIONS BY MEMBERS OF THE GENERAL ASSEMBLY) AND 5306.3
2 (RELATING TO ELECTION TO BECOME A CLASS C-1 MEMBER), THE
3 CLASS OR CLASSES OF SERVICE IN WHICH THE MEMBER MAY BE
4 CREDITED FOR PREVIOUS STATE SERVICE PRIOR TO THE EFFECTIVE
5 DATE OF THIS PART SHALL BE THE CLASS OR CLASSES IN WHICH HE
6 WAS OR COULD HAVE AT ANY TIME ELECTED TO BE CREDITED FOR SUCH
7 SERVICE. THE CLASS OF SERVICE IN WHICH A MEMBER SHALL BE
8 CREDITED FOR SERVICE SUBSEQUENT TO THE EFFECTIVE DATE OF THIS
9 PART SHALL BE DETERMINED IN ACCORDANCE WITH SECTION 5306
10 (RELATING TO CLASSES OF SERVICE).

11 * * *

12 ~~(g)~~ (H) Purchase of certain service credit; Delaware River <—
13 Joint Free Bridge Commission.--

14 (1) An active member who is an employee of the Delaware
15 River Joint Toll Bridge Commission on the effective date of
16 this subsection shall be eligible to obtain State service
17 credit for the other one-half of the member's service as an
18 employee of the former Delaware River Joint Free Bridge
19 Commission after ~~April 11, 1976~~ SEPTEMBER 1, 1973, and before <—
20 July 1, 1987, for which the member has received one-half year
21 of State service credit for each year of service upon payment
22 of the required contribution by the member.

23 (2) In order to elect the service credit, an active
24 member shall file an application with the board no later than
25 three years after the effective date of this subsection.

26 (3) The contribution to be paid by a member for the
27 service credit shall be determined by the board to be equal
28 to the amount paid as employee contributions to the fund by
29 the member as an employee of the former Delaware River Joint
30 Free Bridge Commission during the time period for which

1 service credit is being purchased together with statutory
2 interest to date of purchase.

3 (4) Upon application for the service credit, the member
4 shall pay the contribution to the board in a lump sum within
5 30 days or the contribution may be amortized with statutory
6 interest through salary deductions over a period not to
7 exceed three years as agreed upon by the member and the
8 board.

9 (5) In no event shall the service be creditable if the
10 member has received, is entitled to receive, eligible to
11 receive now or in the future or is receiving retirement
12 benefits for such service or has retirement credit or has now
13 or acquires in the future retirement credit under a
14 retirement system administered and wholly or partially paid
15 for by any other governmental agency or by any private
16 employer or a retirement program approved by the employer in
17 accordance with section 5301(a)(12) (relating to mandatory
18 and optional membership). In the event that State service
19 credit is granted for the service and the member subsequently
20 receives credit for the service that is prohibited by this
21 paragraph, the State service credited shall be canceled and
22 any member contributions and interest paid by the member
23 under paragraphs (3) and (4) shall be refunded to the member
24 by the board.

25 ~~Section 2. This act shall take effect in 60 days.~~ <—

26 SECTION 4. SECTION 5306 OF TITLE 71 IS AMENDED BY ADDING A <—
27 SUBSECTION TO READ:

28 § 5306. CLASSES OF SERVICE.

29 * * *

30 (A.3) CLASS C-1 MEMBERSHIP.--

1 (1) PROVIDED THAT AN ELECTION TO BECOME A CLASS C-1
2 MEMBER IS MADE PURSUANT TO SECTION 5306.3 (RELATING TO
3 ELECTION TO BECOME A CLASS C-1 MEMBER), A STATE EMPLOYEE WHO
4 ON JULY 1, 2002 IS:

5 (I) A MEMBER OF CLASS C, OTHER THAN A STATE POLICE
6 OFFICER; OR

7 (II) AN INACTIVE MEMBER ON A LEAVE WITHOUT PAY FROM
8 A POSITION IN WHICH THE STATE EMPLOYEE WOULD BE A CLASS C
9 ACTIVE MEMBER IF THE EMPLOYEE WAS NOT ON LEAVE WITHOUT
10 PAY, OTHER THAN THE POSITION OF STATE POLICE OFFICER;
11 SHALL BE CLASSIFIED AS A CLASS C-1 MEMBER AND RECEIVE CREDIT
12 FOR CLASS C-1 STATE SERVICE PERFORMED AFTER JUNE 30, 2002,
13 UPON PAYMENT OF REGULAR MEMBER CONTRIBUTIONS FOR CLASS C-1
14 SERVICE AND SHALL RECEIVE CLASS C-1 SERVICE CREDIT FOR ALL
15 CLASS C STATE SERVICE, OTHER THAN CLASS C STATE SERVICE
16 PERFORMED AS A STATE POLICE OFFICER, PERFORMED BEFORE JULY 1,
17 2002.

18 (2) PROVIDED THAT AN ELECTION TO BECOME A CLASS C-1
19 MEMBER IS MADE PURSUANT TO SECTION 5306.3, A FORMER STATE
20 EMPLOYEE WHO WAS A MEMBER OF CLASS C AND WHO WAS NOT A STATE
21 POLICE OFFICER, WHO ON JULY 1, 2002, IS A MULTIPLE SERVICE
22 MEMBER AND A SCHOOL EMPLOYEE AND A MEMBER OF THE PUBLIC
23 SCHOOL EMPLOYEES' RETIREMENT SYSTEM, SHALL RECEIVE CLASS C-1
24 SERVICE CREDIT FOR ALL CLASS C STATE SERVICE, OTHER THAN
25 CLASS C STATE SERVICE PERFORMED AS A STATE POLICE OFFICER.

26 (3) A FORMER STATE EMPLOYEE, WHO WAS A MEMBER OF CLASS C
27 AND WHO WAS NOT A STATE POLICE OFFICER, WHO IS A SCHOOL
28 EMPLOYEE AND WHO AFTER JULY 1, 2002 BECOMES A MULTIPLE
29 SERVICE MEMBER, SHALL RECEIVE CLASS C-1 SERVICE CREDIT FOR
30 ALL CLASS C STATE SERVICE OTHER THAN CLASS C STATE SERVICE

1 PERFORMED AS A STATE POLICE OFFICER.

2 * * *

3 SECTION 5. TITLE 71 IS AMENDED BY ADDING A SECTION TO READ:

4 § 5306.3. ELECTION TO BECOME A CLASS C-1 MEMBER.

5 (A) GENERAL RULE.--A PERSON WHO IS:

6 (1) A MEMBER OF THE SYSTEM; OR

7 (2) A MULTIPLE SERVICE MEMBER WHO IS A SCHOOL EMPLOYEE

8 AND A MEMBER OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT

9 SYSTEM;

10 WHO ON JULY 1, 2002, IS ELIGIBLE FOR CLASS C-1 MEMBERSHIP UNDER

11 SECTION 5306(A.3) (RELATING TO CLASSES OF SERVICE) MAY ELECT TO

12 BECOME A MEMBER OF CLASS C-1.

13 (B) TIME FOR MAKING ELECTION.--AN ELECTION TO BECOME A CLASS

14 C-1 MEMBER MUST BE MADE BY THE MEMBER FILING WRITTEN NOTICE WITH

15 THE BOARD BEFORE JANUARY 1, 2003, OR BEFORE THE MEMBER

16 TERMINATES STATE SERVICE, OR, IF A SCHOOL EMPLOYEE, BEFORE THE

17 MEMBER TERMINATES SCHOOL SERVICE, WHICHEVER OCCURS FIRST.

18 (C) EFFECT OF ELECTION.--MEMBERSHIP AS A CLASS C-1 MEMBER

19 SHALL BECOME EFFECTIVE THE LATER OF JULY 1, 2002, OR THE DATE

20 WHEN THE ELECTION IS FILED WITH THE BOARD AND SHALL REMAIN IN

21 EFFECT UNTIL THE TERMINATION OF EMPLOYMENT. UPON TERMINATION AND

22 SUBSEQUENT REEMPLOYMENT, THE MEMBER'S CLASS OF SERVICE SHALL BE

23 CREDITED IN THE CLASS OF SERVICE OTHERWISE PROVIDED FOR IN THIS

24 PART.

25 (D) EFFECT OF FAILURE TO MAKE ELECTION.--FAILURE TO ELECT TO

26 BECOME A CLASS C-1 MEMBER WITHIN THE ELECTION PERIOD SET FORTH

27 IN SUBSECTION (B) SHALL RESULT IN ALL OF THE MEMBER'S CLASS C

28 STATE SERVICE, OTHER THAN CLASS C SERVICE PERFORMED AS A STATE

29 POLICE OFFICER, BEING CREDITED AS CLASS C SERVICE AND NOT

30 SUBJECT TO FURTHER ELECTION OR CREDITING AS CLASS C-1 SERVICE

1 UPON TERMINATION AND SUBSEQUENT REEMPLOYMENT.

2 SECTION 6. SECTION 5507(A) OF TITLE 71 IS AMENDED TO READ:

3 § 5507. CONTRIBUTIONS BY THE COMMONWEALTH AND OTHER EMPLOYERS.

4 (A) CONTRIBUTIONS ON BEHALF OF ACTIVE MEMBERS.--THE
5 COMMONWEALTH AND OTHER EMPLOYERS WHOSE EMPLOYEES ARE MEMBERS OF
6 THE SYSTEM SHALL MAKE CONTRIBUTIONS TO THE FUND ON BEHALF OF ALL
7 ACTIVE MEMBERS IN SUCH AMOUNTS AS SHALL BE CERTIFIED BY THE
8 BOARD AS NECESSARY TO PROVIDE, TOGETHER WITH THE MEMBERS' TOTAL
9 ACCUMULATED DEDUCTIONS, ANNUITY RESERVES ON ACCOUNT OF
10 PROSPECTIVE ANNUITIES OTHER THAN THOSE PROVIDED IN SECTION 5708
11 (RELATING TO SUPPLEMENTAL ANNUITIES) IN ACCORDANCE WITH THE
12 ACTUARIAL COST METHOD PROVIDED IN SECTION 5508(A), (B), (C), (D)
13 [AND], (F) AND (H) (RELATING TO ACTUARIAL COST METHOD).

14 * * *

15 SECTION 7. SECTION 5508 OF TITLE 71 IS AMENDED BY ADDING A
16 SUBSECTION TO READ:

17 § 5508. ACTUARIAL COST METHOD.

18 * * *

19 (H) DETERMINATION OF LIABILITY FOR CLASS C-1 SERVICE.--
20 NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART OR OTHER LAW,
21 THE TOTAL ADDITIONAL ACCRUED ACTUARIAL LIABILITY RESULTING FROM
22 CLASS C-1 SERVICE SHALL BE DETERMINED BY THE ACTUARY AS PART OF
23 THE FIRST ANNUAL VALUATION MADE AFTER THE EFFECTIVE DATE OF THIS
24 SUBSECTION. THE RESULTING ADDITIONAL ACCRUED LIABILITY SHALL BE
25 PAID BY THE PENNSYLVANIA LIQUOR CONTROL BOARD AND THE
26 PENNSYLVANIA STATE POLICE, THE AMOUNT OF WHICH SHALL BE DIVIDED
27 BETWEEN THE AGENCIES IN ACCORDANCE WITH THE PERCENTAGE OF TOTAL
28 CLASS C-1 MEMBERS IN EACH AGENCY'S EMPLOY, IN ANNUAL PAYMENTS
29 OVER A PERIOD OF TEN YEARS FROM THE FIRST DAY OF JULY,
30 COINCIDENT WITH OR NEXT FOLLOWING THE FIRST VALUATION MADE AFTER

1 THE EFFECTIVE DATE OF THIS SUBSECTION. THE AMOUNT OF EACH ANNUAL
2 ACCRUED LIABILITY CONTRIBUTION FOR CLASS C-1 SERVICE SHALL BE
3 EQUAL TO THE AMOUNT OF SUCH CONTRIBUTION FOR THE FIRST ANNUAL
4 PAYMENT.

5 SECTION 8. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

6 (1) THE ADDITION OF 71 PA.C.S. § 5303(H) SHALL TAKE
7 EFFECT IN 60 DAYS.

8 (2) THIS SECTION SHALL TAKE EFFECT IMMEDIATELY.

9 (3) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT JULY 1,
10 2002, OR IMMEDIATELY, WHICHEVER IS LATER.