THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1294 Session of 2007

INTRODUCED BY SURRA, GOODMAN, CAPPELLI, COHEN, CONKLIN, CREIGHTON, FABRIZIO, FAIRCHILD, FLECK, GEIST, GERGELY, GIBBONS, GRUCELA, HENNESSEY, HUTCHINSON, JAMES, KORTZ, KOTIK, MAJOR, MURT, M. O'BRIEN, O'NEILL, PARKER, PAYNE, SCAVELLO, SHIMKUS, STABACK, TANGRETTI AND YUDICHAK, MAY 18, 2007

REFERRED TO COMMITTEE ON FINANCE, MAY 18, 2007

AN ACT

- 1 Amending Title 24 (Education) of the Pennsylvania Consolidated
- 2 Statutes, further providing for creditable nonschool service.
- 3 The General Assembly of the Commonwealth of Pennsylvania
- 4 hereby enacts as follows:
- 5 Section 1. Sections 8304(b) and 8324(e) of Title 24 of the
- 6 Pennsylvania Consolidated Statutes are amended to read:
- 7 § 8304. Creditable nonschool service.
- 8 * * *
- 9 (b) Limitations on nonschool service.--Creditable nonschool
- 10 service credit shall be limited to:
- 11 (1) Intervening military service.
- 12 (2) Military service other than intervening military
- 13 service and activated military service not exceeding five
- 14 years provided that a member with multiple service may not
- purchase more than a total of five years of military service
- in both the system and the State Employees' Retirement

- 1 System.
- 2 (3) Service in any public school or public educational
- 3 institution in any state other than this Commonwealth or in
- 4 any territory or area under the jurisdiction of the United
- 5 States. This paragraph includes service, prior to July 1,
- 6 1965, at a community college established under the act of
- 7 August 24, 1963 (P.L.1132, No.484), known as the Community
- 8 College Act of 1963.
- 9 (4) Service as an administrator, teacher, or instructor
- in the field of public school education for any agency or
- 11 department of the government of the United States whether or
- not such area was under the jurisdiction of the United
- 13 States.
- 14 (5) Previous service as an employee of a county board of
- school directors which employment was terminated because of
- the transfer of the administration of such service or of the
- 17 entire agency to a governmental entity.
- 18 (6) Previous service as a county employee as a nurse.
- 19 For every three years or major fraction thereof in previous
- work experience, an individual may buy one year of creditable
- 21 service, not to exceed a total of five years. The purchase of
- this service shall begin within three years of the employee's
- 23 eligibility to purchase this creditable service.
- 24 (7) (i) Service for the period of time spent on a
- 25 maternity leave of absence required by the employer,
- 26 which creditable service shall not exceed two years per
- 27 leave and shall be applicable only to a maternity leave
- which was mandatory prior to May 17, 1975. The purchase
- of this service shall begin within one year of the
- 30 employee's eligibility to purchase the creditable service

under this subparagraph as originally enacted by the act of August 5, 1991 (P.L.183, No.23), entitled "An act amending Titles 24 (Education) and 71 (State Government) of the Pennsylvania Consolidated Statutes, further providing for the Public School Employees' Retirement System and the State Employees' Retirement System; adding and amending certain definitions; further providing for membership in the systems, for creditable nonschool and nonstate service and the purchase of credit, for incentives for special early retirement, for contributions to the retirement funds, for annuities and the rights and duties of annuitants, for health insurance premium assistance, for board membership and for the reamortization and management of the retirement funds."

- (ii) Service for the period of time spent on a maternity leave of absence required by the employer, which creditable service shall not exceed two years per leave and shall be applicable only to a maternity leave that was mandatory and began after May 16, 1975, and prior to November 1, 1978. The purchase of this service shall begin within one year of the employee's eligibility to purchase the creditable service under this subparagraph.
- (8) Service in the Cadet Nurse Corps with respect to any period of training as a student or graduate nurse under a plan approved under section 2 of the act of June 15, 1943 (Public Law 78-73, 57 Stat. 153), if the total period of training under the plan was at least two years, the credit for such service not to exceed three years.
- 30 (9) Previous work experience used by the member to

- 1 obtain certification as a vocational teacher under a
- 2 <u>nonbaccalaureate program. The previous work experience used</u>
- 3 <u>to obtain certification shall be verified by the department</u>
- 4 upon request of the member and shall be transmitted to the
- 5 system. For every two years of the previous work experience,
- 6 <u>a member may buy one year of creditable service, not to</u>
- 7 <u>exceed a total of three years. A fraction of a year of the</u>
- 8 previous work experience that is equal to or greater than
- 9 <u>one-half shall be considered one year for purposes of this</u>
- 10 paragraph. The previous work experience does not include time
- 11 <u>served in an apprenticeship.</u>
- 12 * * *
- 13 § 8324. Contributions for purchase of credit for creditable
- 14 nonschool service.
- 15 * * *
- 16 (e) Creditable work experience. -- Contributions on account of
- 17 T-C credit for creditable work experience pursuant to section
- 18 8304(b)(6) and (9) shall be the present value of the full
- 19 actuarial cost of the increase in the projected superannuation
- 20 annuity caused by the additional service credited on account of
- 21 the purchase of creditable work experience. The amount paid for
- 22 the purchase of credit for creditable work experience shall not
- 23 be payable as a lump sum under section 8345(a)(4)(iii) (relating
- 24 to member's options). [Any individual eligible to receive an
- 25 annuity, excluding an annuity received under the Federal Social
- 26 Security Act (42 U.S.C. § 301 et seq.), in another pension
- 27 system, other than a military pension system, shall not be
- 28 eligible to purchase this service.]
- 29 * * *
- 30 Section 2. This act shall take effect in 60 days.