

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL**No. 472**Session of
1973

INTRODUCED BY WOOD, COPPERSMITH AND DENGLE, MARCH 12, 1973

SENATOR SMITH, FINANCE, RE-REPORTED AS AMENDED,
JANUARY 22, 1974

AN ACT

1 Amending the act of November 25, 1970 (P.L.707, No.230),
2 entitled "An act codifying and compiling a part of the law of
3 the Commonwealth," adding provisions relating to retirement
4 for State employees and officers and making repeals.

5 TABLE OF CONTENTS

6 Title 71. State Government

7 Part XXV. Retirement for State Employees and Officers

8 Chapter 51. Preliminary Provisions

9 § 5101. Short title.

10 § 5102. Definitions.

11 Chapter 53. Membership, Credited Service,

12 Classes of Service, and

13 Eligibility for Benefits

14 § 5301. Mandatory and optional member-
15 ship.

16 § 5302. Credited State service.

17 § 5303. Retention and reinstatement of
18 service credits.

19 § 5304. Creditable nonstate service.

- 1 § 5305. Social security integration
2 credits.
3 § 5306. Classes of service.
4 § 5307. Eligibility points.
5 § 5308. Eligibility for annuities.
6 § 5309. Eligibility for vesting.
7 § 5310. Eligibility for death benefits.
8 § 5311. Eligibility for refunds.

9 Chapter 55. Contributions

- 10 § 5501. Regular member contributions for
11 current service.
12 § 5502. Social security integration
13 member contributions.
14 § 5503. Joint coverage member contri-
15 butions.
16 § 5504. Member contributions for the
17 purchase of credit for previous
18 State service or to become a
19 full coverage member.
20 § 5505. Contributions for the purchase
21 of credit for creditable
22 nonstate service.
23 § 5506. Incomplete payments.
24 § 5507. Contributions by the
25 Commonwealth and other
26 employers.
27 § 5508. Actuarial cost method.
28 § 5509. Appropriations and assessments
29 by the Commonwealth.

30 Chapter 57. Benefits

- 1 § 5701. Return of total accumulated
2 deductions.
3 § 5702. Maximum single life annuity.
4 § 5703. Reduction of annuities on
5 account of social security old-
6 age insurance benefits.
7 § 5704. Disability annuities.
8 § 5705. Member's options.
9 § 5706. Termination of annuities.
10 § 5707. Death benefits.
11 § 5708. Supplemental annuities.
12 § 5709. Payment of benefits.
13 § 5710. Payments under other laws.

14 Chapter 59. Administration, Funds, Accounts,
15 General Provisions

16 Subchapter A. Administration

- 17 § 5901. The State Employees' Retirement
18 Board.
19 § 5902. Administrative duties of the
20 board.
21 § 5903. Duties of the board to advise
22 and report to heads of
23 departments and members.
24 § 5904. Duties of the board to report to
25 the Public School Employees'
26 Retirement Board.
27 § 5905. Duties of the board regarding
28 applications and elections of
29 members.
30 § 5906. Duties of heads of departments.

1 § 5907. Rights and duties of State
2 employees and members.

3 § 5908. Rights and duties of annuitants.

4 Subchapter C. State Employees' Retirement
5 Fund and Accounts

6 § 5931. Management of fund and accounts.

7 § 5932. State Employees' Retirement Fund.

8 § 5933. Members' savings account.

9 § 5934. State accumulation account.

10 § 5935. Annuity reserve account.

11 § 5936. State police benefit account.

12 § 5937. Enforcement officers' benefit
13 account.

14 § 5938. Supplemental annuity account.

15 § 5939. Interest reserve account.

16 Subchapter E. General Provisions

17 § 5951. State guarantee.

18 § 5952. State supervision.

19 § 5953. Exemption from execution;
20 assignment of rights.

21 § 5954. Fraud and adjustment of errors.

22 ~~§ 5955. Collective bargaining on~~ <—
23 ~~subject matter prohibited.~~

24 § ~~5956~~ 5955. Construction of code. <—

25 § ~~5957~~ 5956. Provisions severable. <—

26 The General Assembly of the Commonwealth of Pennsylvania
27 hereby enacts as follows:

28 Section 1. Title 71, act of November 25, 1970 (P.L.707,
29 No.230), known as the "Consolidated Pennsylvania Statutes," is
30 amended to read:

1 TITLE 71

2 STATE GOVERNMENT

3 Part

4 XXV. Retirement for State Employees and Officers.

5 PART XXV

6 RETIREMENT FOR STATE EMPLOYEES AND OFFICERS

7 CHAPTER 51

8 PRELIMINARY PROVISIONS

9 § 5101. Short title.

10 This act shall be known and may be cited as the "State
11 Employees' Retirement Code."

12 § 5102. Definitions.

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

16 "Active member." A State employee who is contributing to the
17 fund or a member on leave without pay for whom authorized
18 contributions are being made to the fund.

19 "Actuarially equivalent." Equal present values, computed on
20 the basis of statutory interest and the mortality tables adopted
21 by the board.

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

23 (1) a member of the American Academy of Actuaries; or

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

29 (3) a firm, partnership, or corporation of which at
30 least one member meets the requirements of (1) or (2).

1 "Annuitant." Any member on or after the effective date of
2 retirement.

3 "Average noncovered salary." The average of the amounts of
4 compensation received each calendar year since January 1, 1956
5 exclusive of the amount which was or could have been covered by
6 the Federal Social Security Act, 42 U.S.C. §§ 301 et seq.,
7 during that portion of the member's service since January 1,
8 1956 for which he has received social security integration
9 credit.

10 "Basic contribution rate." Five per cent (5%), except that
11 in no case shall any member be required to contribute, excluding
12 contributions for social security integration credit, at a rate
13 greater than his contribution rate on the effective date of this
14 act so long as he does not elect additional coverage or
15 membership in another class of service.

16 "Beneficiary." The person or persons last designated by a
17 member to receive his accumulated deductions or a lump sum
18 benefit upon the death of such member.

19 "Board." The State Employees' Retirement Board.

20 "Class of service multiplier."

21	Class of Service	Multiplier
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22	A	1
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23	B	.625
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24	C	1
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25	D	1.25
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26	D-1 PRIOR TO	
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27	JANUARY 1, 1973	1.875
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28	D-1 ON AND	
----	------------	--

29	SUBSEQUENT TO	
----	---------------	--

30	JANUARY 1, 1973	1.731
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1	D-2 prior to		
2	January 1,		
3	1973	2.5	
4	D-2 on and		
5	subsequent to		
6	January 1,		
7	1973	2	<—
8		1.731	<—
9	D-3 prior to		
10	January 1, 1973	3.75	
11	D-3 on and		
12	subsequent to		
13	January 1, 1973	2	<—
14		1.731 except PRIOR TO DECEMBER 1,	<—
15		1974 as applied to any	
16		additional legislative	
17		compensation as an officer	
18		of the General Assembly	
19		3.75	
20	E, E-1 prior to		
21	January 1,		
22	1973	2 for each of the first ten	
23		years of judicial service,	
24		and	
25		1.5 for each subsequent year of	
26		judicial service	
27	E, E-1 on and		
28	subsequent to		
29	January 1, 1973	1.75	<—
30		1.50 for each of the first	<—

ten years of judicial
service and

~~1.25~~

1.125 for each subsequent year
of judicial service

E-2 prior to ~~July 1,~~
~~1973~~ SEPTEMBER 1

1973 1.5

E-2 on and

subsequent to

July 1, 1973	1.25
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SEPTEMBER 1,

1973	1.125
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~~T-C (as defined in~~ 1

~~the~~ Public School

Employees'

Retirement Code)

"Compensation." Remuneration actually received as a State employee excluding refunds for expenses, contingency and accountable expense allowances, and any severance payments for unused vacation or sick leave: Provided, however, That compensation received prior to January 1, 1973 shall be subject to the limitations for retirement purposes in effect December 31, 1972, if any.

"Concurrent service." ~~Credited service~~ SERVICE CREDITED in more than one class of service during the same period of time.

"CORRECTION OFFICER." ANY EMPLOYEE WHOSE PRINCIPAL DUTY IS THE CARE, CUSTODY AND CONTROL OF INMATES OF A PENAL OR CORRECTIONAL INSTITUTION OR COMMUNITY TREATMENT CENTER OPERATED BY THE DEPARTMENT OF JUSTICE.

1 "Creditable nonstate service." Service other than service as
2 a State employee for which an active member may obtain credit.

3 "Credited service." State or creditable nonstate service for
4 which the required contributions have been made or for which
5 salary deductions or lump sum payments have been agreed upon in
6 writing.

7 "Date of termination of service." The last day of service
8 for which an active member makes contributions, or in the case
9 of an inactive member on leave without pay the date of his
10 resignation or the date his employment is formally discontinued
11 by his employer.

12 "Effective date of retirement." The first day following the
13 date of termination of service of a member if he has properly
14 filed an application for an annuity within ninety days of such
15 date; in the case of a vestee or a member who does not apply for
16 an annuity within ninety days after termination of service, the
17 date of filing an application for an annuity or the date
18 specified on the application, whichever is later. In the case of
19 a finding of disability, the date certified by the board as the
20 effective date of disability.

21 "Eligibility points." Points which are accrued by an active
22 member for credited service and are used in the determination of
23 eligibility for benefits.

24 "Enforcement officer." Any enforcement officer or
25 investigator of the Pennsylvania Liquor Control Board who is a
26 peace officer vested with police power and authority throughout
27 the Commonwealth and any administrative or supervisory employee
28 of the Pennsylvania Liquor Control Board vested with police
29 power who is charged with the administration or enforcement of
30 the liquor laws of the Commonwealth.

1 "Final average salary." The highest average compensation
2 received as a member during any three nonoverlapping periods of
3 twelve consecutive months or of twenty-six consecutive biweekly
4 pay periods, with the compensation for part-time service being
5 annualized on the basis of the fractional portion of the year
6 for which credit is received; except if the employee was not a
7 member for three nonoverlapping periods of twelve consecutive
8 months or of twenty-six consecutive biweekly pay periods, the
9 total compensation received as a member, annualized in the case
10 of part-time service, divided by the number of nonoverlapping
11 periods of twelve consecutive months or of twenty-six
12 consecutive biweekly pay periods of membership; and in the case
13 of a member with multiple service, the final average salary
14 shall be determined on the basis of the compensation received by
15 him as a State employee or as a school employee, or both.

16 "Full coverage member." Any member who has made or is making
17 regular member contributions, or has paid or has agreed to pay
18 to the fund the actuarial equivalent of regular member
19 contributions over the entire period of his credited service.

20 "Fund." The State Employees' Retirement Fund.

21 "Head of department." The chief administrative officer of
22 the department, the chairman or executive director of the
23 agency, authority, or independent board or commission, the Chief
24 Justice or the President Judge of a court, any justice of the
25 peace, and the Chief Clerk of the Senate, or the Chief Clerk of
26 the House of Representatives.

27 "Inactive member." A member who is not making member
28 contributions, including a member on leave without pay for whom
29 contributions are not authorized, but who has accumulated
30 deductions standing to his credit in the fund and who is not

1 eligible to become or has not elected to become a vestee or has
2 not filed an application for an annuity.

3 "Intervening military service." Active military service of a
4 member who was a State employee immediately preceding his
5 induction into the armed services or forces of the United States
6 in order to meet a military obligation excluding any voluntary
7 extension of such service and who becomes a State employee
8 within ninety days of the expiration of such service.

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

12 "Joint coverage member contributions." Regular member
13 contributions reduced for a joint coverage member.

14 "Member." Active member, inactive member, annuitant, or
15 vestee.

16 "Member of the judiciary." Any justice of the Supreme Court,
17 any judge of the Superior Court, the Commonwealth Court, any
18 court of common pleas, the Municipal Court and the Traffic Court
19 of Philadelphia, or any community court.

20 "Member's annuity." The single life annuity which is
21 actuarially equivalent, at the effective date of retirement, to
22 the sum of the regular accumulated deductions and the social
23 security integration accumulated deductions standing to the
24 member's credit in the members' savings account.

25 "Military service." All active military service for which a
26 member has received a discharge other than an undesirable, bad
27 conduct, or dishonorable discharge.

28 "Multiple service." Credited service of a member who has
29 elected to combine his credited service in both the State
30 Employees' Retirement System and the Public School Employees'

1 Retirement System.

2 "Previous State service." Service rendered as a State
3 employee prior to his most recent entrance in the system.

4 "PSYCHIATRIC SECURITY AIDE." ANY EMPLOYEE WHOSE PRINCIPAL
5 DUTY IS THE CARE, CUSTODY AND CONTROL OF THE CRIMINALLY INSANE,
6 INMATES OF A MAXIMUM SECURITY INSTITUTION FOR THE CRIMINALLY
7 INSANE OR DETENTION FACILITY OPERATED BY THE DEPARTMENT OF
8 PUBLIC WELFARE.

<—

9 "Public School Employees' Retirement System." The retirement
10 system established by the act of July 18, 1917, (P.L.1043, No.
11 343), and codified by the act of June 1, 1959 (P.L.350, No. 77).

12 "Regular accumulated deductions." The total of the regular
13 or joint coverage member contributions paid into the fund on
14 account of current service or previous State or creditable
15 nonstate service, together with the statutory interest credited
16 thereon until the date of termination of service. In the case of
17 a vestee, statutory interest shall be credited until the
18 effective date of retirement. A member's account shall not be
19 credited with statutory interest for more than two years during
20 a leave without pay.

21 "Regular member contributions." The product of the basic
22 contribution rate, the class of service multiplier if greater
23 than one and the compensation of the member.

24 "Retirement counselor." The State employee whose duty it
25 shall be to advise each employee of the department of his rights
26 and duties as a member of the system. Such employee shall be
27 designated by the head of each department with the approval of
28 the board.

29 "Salary deductions." The amounts certified by the board,
30 deducted from the compensation of an active member and paid into

1 the fund.

2 "School service." Service rendered as a public school
3 employee and credited as service in the Public School Employees'
4 Retirement System.

5 "Service connected disability." A disability resulting from
6 an injury arising in the course of State employment, and which
7 is compensable under the applicable provisions of the act of
8 June 2, 1915 (P.L.736, No.338), known as The Pennsylvania
9 Workmen's Compensation Act, or the act of June 21, 1939
10 (P.L.566, No.284), known as The Pennsylvania Occupational
11 Disease Act.

12 "Social security integration accumulated deductions." The
13 total of the additional member contributions paid into the fund
14 on account of social security integration credit, together with
15 the statutory interest credited thereon until the date of
16 termination of service. In the case of a vestee statutory
17 interest shall be credited until the effective date of
18 retirement. A member's account shall not be credited with
19 statutory interest for more than two years during a leave
20 without pay.

21 "Standard single life annuity." An annuity equal to two per
22 cent (2%) of the final average salary, multiplied by the total
23 number of years and fractional part of a year of credited
24 service of a member.

25 "State employee." Any person holding a State office or
26 position under the Commonwealth, employed by the State
27 Government of the Commonwealth, in any capacity whatsoever,
28 except an independent contractor or any person compensated on a
29 fee basis, and shall include members of the General Assembly,
30 and any officer or employee of the following:

1 (1) the Department of Education, State-owned educational
2 institutions, community colleges, and The Pennsylvania State
3 University, except an employee paid wholly from Federal
4 funds;

5 (2) the Pennsylvania Turnpike Commission, the Delaware
6 River Port Authority, the Port Authority Transit Corporation,
7 the Delaware River Joint Toll Bridge Commission, the State
8 Public School Building Authority, The General State
9 Authority, the State Highway and Bridge Authority, the
10 Delaware Valley Regional Planning Commission, the Interstate
11 Commission of the Delaware River Basin, and the Susquehanna
12 River Basin Commission any time subsequent to its creation,
13 provided the commission or authority agrees to contribute and
14 does contribute to the fund, from time to time, the moneys
15 required to build up the reserves necessary for the payment
16 of the annuities of such officers and employees without any
17 liability on the part of the Commonwealth to make
18 appropriations for such purposes, and provided in the case of
19 employees of the Interstate Commission of the Delaware River
20 Basin, that the employee shall have been a member of the
21 system for at least ten years prior to January 1, 1963;

22 (3) any separate independent public corporation created
23 by statute, not including any municipal or quasi-municipal
24 corporation, so long as he remains an officer or employee of
25 such public corporation, and provided that such officer or
26 employee of such public corporation was an employee of the
27 Commonwealth immediately prior to his employment by such
28 corporation, and further provided such public corporation
29 shall agree to contribute and contributes to the fund, from
30 time to time, the moneys required to build up the reserves

1 necessary for the payment of the annuities of such officers
2 and employees without any liability on the part of the
3 Commonwealth to make appropriations for such purposes; or

4 (4) any single county department of health or any joint
5 county department of health created under the "Local Health
6 Administration Law," act of August 24, 1951 (P.L.1304, No.
7 315).

8 "State service." Service rendered as a State employee.

9 "Statutory interest." Interest at four per cent (4%) per
10 annum, compounded annually.

11 "Superannuation age." Age sixty, except for a member of the
12 General Assembly, an enforcement officer, A CORRECTION OFFICER, <—
13 A PSYCHIATRIC SECURITY AIDE or an officer of the Pennsylvania
14 State Police, age fifty.

15 "Superannuation annuitant." An annuitant whose annuity
16 becomes payable on or after the attainment of superannuation
17 age.

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

21 "System." The State Employees' Retirement System of
22 Pennsylvania as established by the act of June 27, 1923
23 (P.L.858, No.331), and codified by the act of June 1, 1959
24 (P.L.392, No.78).

25 "Total accumulated deductions." The sum of the regular
26 accumulated deductions, the social security integration
27 accumulated deductions, and all other contributions paid into
28 the fund for the purchase of credit for service or other
29 coverage together with all statutory interest credited thereon
30 until the date of termination of service. In the case of a

1 vestee, statutory interest shall be credited until the effective
2 date of retirement. A member's account shall not be credited
3 with statutory interest for more than two years during a leave
4 without pay.

5 "VALUATION INTEREST." INTEREST AT FIVE AND ONE-HALF PER CENT <—
6 (5 1/2%) PER ANNUM COMPOUNDED ANNUALLY AND APPLIED TO ALL
7 ACCOUNTS OTHER THAN THE MEMBERS' SAVINGS ACCOUNT.

8 "Vestee." A member with ten or more eligibility points who
9 has terminated State service and has elected to leave his total
10 accumulated deductions in the fund and to defer receipt of an
11 annuity.

12 CHAPTER 53

13 MEMBERSHIP, CREDITED SERVICE, CLASSES OF SERVICE, 14 AND ELIGIBILITY FOR BENEFITS

15 § 5301. Mandatory and optional membership.

16 (a) Membership in the system shall be mandatory as of the
17 effective date of employment for all State employees except the
18 following:

- 19 (1) Governor.
- 20 (2) Lieutenant Governor.
- 21 (3) Members of the General Assembly.
- 22 (4) Heads or deputy heads of administrative departments.
- 23 (5) Members of any independent administrative board or
24 commission.
- 25 (6) Members of any departmental board or commission.
- 26 (7) Members of any advisory board or commission.
- 27 (8) Secretary to the Governor.
- 28 (9) Budget Secretary.
- 29 (10) Legislative employees.
- 30 (11) School employees who have elected membership in the

Public School Employees' Retirement System.

(12) School employees who have elected membership in an approved independent retirement program, provided that in no case shall the employer contribute on account of such elected membership at a rate greater than the employer normal contribution rate as determined in section 5508(b).

(13) Persons who have elected to retain membership in the retirement system of the political subdivision by which they were employed prior to becoming eligible for membership in the State Employees' Retirement System.

(14) Persons employed on a per diem or hourly basis for less than one hundred days or seven hundred fifty hours in a twelve-month period.

(b) The State employees listed in paragraphs (a)(1) through (11) of this section shall have the right to elect membership in the system; once such election is exercised, membership shall continue until the termination of State service.

(c) The State employees listed in paragraphs (a)(12), (13) and (14) of this section shall not have the right to elect membership in the system.

§ 5302. Credited State service.

(a) In computing credited State service of a member for the determination of benefits, a full-time salaried State employee including any member of the General Assembly, shall receive credit for service in each period for which he makes contributions as required but in no case shall he receive more than one year's credit for any twelve consecutive months or twenty-six consecutive biweekly pay periods. A per diem or hourly State employee shall receive one year of credited service for each nonoverlapping period of twelve consecutive months or

1 twenty-six consecutive biweekly pay periods in which he is
2 employed and for which he contributes for at least two hundred
3 twenty days or one thousand six hundred fifty hours of
4 employment. If the member was employed and contributed for less
5 than two hundred twenty days or one thousand six hundred fifty
6 hours, he shall be credited with a fractional portion of a year
7 determined by the ratio of the number of days or hours of
8 service actually rendered to two hundred twenty days or one
9 thousand six hundred fifty hours, as the case may be. A part-
10 time salaried employee shall be credited with the fractional
11 portion of the year which corresponds to the number of hours or
12 days of service actually rendered in relation to one thousand
13 six hundred fifty hours or two hundred twenty days, as the case
14 may be. In no case shall a member who has elected multiple
15 service receive an aggregate in the two systems of more than one
16 year of credited service for any twelve consecutive months.

17 (b) A member on leave without pay who is studying under a
18 Federal grant approved by the head of his department or who is
19 engaged up to a maximum of two years of temporary service with
20 the United States Government, another state or a local
21 government under the Intergovernmental Personnel Act of 1970, 5
22 U.S.C. §§ 1304, 3371-3376; 42 U.S.C. §§ 4701-4772, shall be
23 eligible for credit for such service: Provided, That
24 contributions are made in accordance with sections 5501 and
25 5507, the member returns from leave without pay to active State
26 service for a period of at least one year, and he is not
27 entitled to retirement benefits for such service under a
28 retirement system administered by any other governmental agency.

29 (c) All credited service shall be cancelled if a member
30 withdraws his total accumulated deductions.

1 § 5303. Retention and reinstatement of service credits.

2 (a) Eligibility points shall be computed in accordance with
3 section 5307 with respect to all credited service accrued as of
4 the effective date of this act.

5 (b) Every active member of the system or a multiple service
6 member who is a school employee and a member of the Public
7 School Employees' Retirement System on or after the effective
8 date of this act shall receive eligibility points in accordance
9 with section 5307 for current State service, previous State
10 service, or creditable nonstate service upon compliance with
11 sections 5501, 5504, 5505 or 5506. The class or classes of
12 service in which the member may be credited for previous State
13 service prior to the effective date of this act shall be the
14 class or classes in which he was or could have at any time
15 elected to be credited for such service. The class of service in
16 which a member shall be credited for service subsequent to the
17 effective date of this act shall be determined in accordance
18 with section 5306.

19 § 5304. Creditable nonstate service.

20 (a) An active member or a multiple service member who is a
21 school employee and a member of the Public School Employees'
22 Retirement System shall be eligible for Class A service credit
23 for creditable nonstate service as set forth in subsections (b)
24 and (c) of this section except that intervening military service
25 shall be credited in the class of service for which the member
26 was eligible at the time of entering into military service and
27 for which he makes the required contributions.

28 (b) An active member or a multiple service member who is a
29 school employee and a member of the Public School Employees'
30 Retirement System shall be eligible to receive credit for

1 nonstate service provided that he does not have credit for such
2 service in the school system and is not entitled to retirement
3 benefits for such service under a retirement system administered
4 by any other governmental agency, and that such service is
5 certified by the previous employer and contributions are agreed
6 upon and made in accordance with section 5505.

7 (c) Creditable nonstate service credit shall be limited to:

8 (1) intervening military service;

9 (2) other military service not exceeding five years,
10 provided that the member has ~~five~~ THREE years of credited <—
11 State service subsequent to such military service;

12 (3) service as an administrator, teacher, or instructor
13 in the field of education for any agency or department of the
14 government of the United States, not exceeding the lesser of
15 ten years or the number of years of active membership in the
16 system, as an officer or employee of the Department of
17 Education or as an administrator, teacher, or instructor
18 employed in any State-owned educational institution or The
19 Pennsylvania State University; or

20 (4) Previous service with a governmental agency other
21 than the Commonwealth which employment with said agency was
22 terminated because of the transfer of the administration of
23 such service or of the entire agency to the Commonwealth.

24 § 5305. Social security integration credits.

25 ~~(a)~~ Any member shall be credited with the social security <—
26 integration credits which he has accrued up to the effective
27 date of this act, and shall accrue after the effective date of
28 this act one social security integration credit for each year of
29 service and a fractional credit for a corresponding fractional
30 year of service for which he makes appropriate contributions in

1 accordance with section 5502.

2 ~~(b) Any active member who, during previous State service,~~ <—
3 ~~had elected to receive credit for social security integration~~
4 ~~shall, upon return to State service and election to purchase~~
5 ~~credit for his total previous State service, reinstate his~~
6 ~~social security integration credits as they were at the~~
7 ~~termination of his previous service in accordance with section~~
8 ~~5504.~~

9 § 5306. Classes of service.

10 (a) A State employee who is a member of Class A on the
11 effective date of this act or who becomes a member of the system
12 subsequent to the effective date of this act shall be classified
13 as a Class A member and receive credit for Class A service upon
14 payment of regular member contributions for Class A service.

15 (b) A State employee who is a member of a class of service
16 other than Class A on the effective date of this act shall
17 retain his membership in that class until such service is
18 discontinued; any service thereafter shall be credited as Class
19 A service.

20 § 5307. Eligibility points.

21 An active member of the system shall accrue one eligibility
22 point for each year of credited service as a ~~Class A, Class B,~~ <—
23 ~~Class C, Class D, Class D-1, Class D-2, Class E, Class E-1,~~
24 ~~Class E-2, Class T A, Class T B or Class T C member. For each~~
25 ~~year of Class D-3 credited service, a MEMBER OF THE STATE OR THE~~ <—
26 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM. A member shall
27 accrue ~~one and~~ AN ADDITIONAL two-thirds OF AN eligibility ~~points~~ <—
28 POINT FOR EACH YEAR OF CLASS D-3 CREDITED SERVICE. In the case <—
29 of a fractional part of a year of credited service, a member
30 shall accrue the corresponding fractional portion of eligibility

1 points to which the class of service entitles him.

2 § 5308. Eligibility for annuities.

3 (a) Attainment of superannuation age by an active member or
4 an inactive member on leave without pay shall entitle him to
5 receive a superannuation annuity upon termination of State
6 service and compliance with section ~~5907(g)~~ 5907(F). <—

7 (b) Any vestee or any active member or inactive member on
8 leave without pay who terminates State service having ten or
9 more eligibility points, upon compliance with section ~~5907(g)~~ <—
10 5907(F) or (h), shall be entitled to receive an annuity. <—

11 (c) An active member or inactive member on leave without pay
12 who has credit for at least five years of service or any active
13 member or inactive member on leave without pay ~~of~~ who is an <—
14 officer of the Pennsylvania State Police or an enforcement
15 officer shall, upon compliance with ~~Section 5907(1)~~ SECTION <—
16 5907(K), be entitled to a disability annuity if prior to
17 attainment of superannuation age he becomes mentally or
18 physically incapable of continuing to perform the duties for
19 which he is employed and qualifies in accordance with the
20 provisions of section 5905(c)(1).

21 § 5309. Eligibility for vesting.

22 Any member who terminates State service with ten or more
23 eligibility points shall be eligible until attainment of
24 superannuation age to vest his retirement benefits.

25 § 5310. Eligibility for death benefits.

26 In the event of the death of a member who is eligible for an
27 annuity in accordance with section 5308(a) or (b), his
28 beneficiary shall be entitled to a death benefit.

29 § 5311. Eligibility for refunds.

30 Any active member, regardless of eligibility for benefits,

1 may elect to receive his total accumulated deductions upon
2 termination of service in lieu of any benefit to which he is
3 entitled.

4 CHAPTER 55

5 CONTRIBUTIONS

6 § 5501. Regular member contributions for current service.

7 Every active member shall make regular member contributions
8 to the fund for current service by salary deductions or some
9 other agreed upon method.

10 § 5502. Social security integration member contributions.

11 A member of any class who has elected social security
12 integration coverage ~~under the provisions of section 5907(e)~~ <—
13 shall contribute five per cent (5%) of that portion of his
14 compensation in excess of the maximum wages taxable under the
15 provisions of the Federal Social Security Act, 42 U.S.C. §§ 301
16 et seq., in addition to the regular member contributions which,
17 after such election, shall be determined on the basis of the
18 basic contribution rate of five per cent (5%): Provided, That on
19 the first day of January following the time at which the maximum
20 single life annuity to which a member is entitled is found to be
21 equal to or greater than his highest compensation in any twelve
22 consecutive months, the member's contributions toward social
23 security integration credits shall cease and no further social
24 security integration credits shall accrue to him.

25 § 5503. Joint coverage member contributions.

26 The regular member contributions for current service of a
27 joint coverage member in any class shall be reduced by forty per
28 cent (40%) of the tax on taxable wages prescribed by the Federal
29 Insurance Contributions Act, 26 U.S.C. §§ 3101-3125, exclusive
30 of that portion of such tax attributable to coverage for

1 disability and medical benefits.

2 § 5504. Member contributions for the purchase of credit for
3 previous State service or to become a full coverage
4 member.

5 (a) The contributions to be paid by an active member or
6 eligible school employee for credit for total previous State
7 service or to become a full coverage member shall be sufficient
8 to provide an amount equal to the regular accumulated deductions
9 which would have been standing to the credit of the member for
10 such service had he made regular member contributions with full
11 coverage in the class of service and at the rate of contribution
12 applicable during such period of previous service and had his
13 regular accumulated deductions been credited with statutory
14 interest during all periods of subsequent State or school
15 service up to the date of purchase.

16 ~~(b) Upon election to purchase credit for total previous~~ <—
17 ~~State service, additional contributions shall be paid by an~~
18 ~~active member or eligible school employee for reinstatement of~~
19 ~~creditable previous social security integration credit~~
20 ~~sufficient to provide an amount equal to the social security~~
21 ~~integration accumulated deductions which had been standing to~~
22 ~~his credit at the termination of his service and credited with~~
23 ~~statutory interest during all periods of subsequent State~~
24 ~~service up to the date of purchase.~~

25 ~~(c)~~ The amount payable shall be certified in each case by
26 the board in accordance with methods approved by the actuary and
27 shall be paid in a lump sum within thirty days or in the case of
28 an active member may be amortized with statutory interest
29 through salary deductions in amounts agreed upon by the member
30 and the board.

1 § 5505. Contributions for the purchase of credit for
2 creditable nonstate service.

3 (a) The total contributions to purchase credit for
4 creditable nonstate service of an active member or eligible
5 school employee shall be paid either by the member, the member's
6 previous employer, or by some agreed upon combination of the
7 member, his previous employer, and, if specifically provided,
8 the Commonwealth.

9 (b) The amount due for the purchase of credit for military
10 service other than intervening military service shall be
11 determined by applying the member's basic contribution rate plus
12 the Commonwealth normal contribution rate for active members at
13 the time of entry, subsequent to such military service, of the
14 member into State service to his average annual rate of
15 compensation over the first ~~five~~ THREE years of such subsequent <—
16 State service and multiplying the result by the number of years
17 and fractional part of a year of creditable nonintervening
18 military service being purchased together with statutory
19 interest during all periods of subsequent State or school
20 service to date of purchase. Upon application for credit for
21 such service, payment shall be made in a lump sum within thirty
22 days or in the case of an active member it may be amortized with
23 statutory interest through salary deductions in amounts agreed
24 upon by the member and the board. Application may be filed for
25 all such military service credit upon completion of ~~five~~ THREE <—
26 years of subsequent State service and shall be credited as Class
27 A service.

28 (c) Contributions on account of credit for intervening
29 military service shall be determined by the member's
30 contribution rate and compensation at the time of entry of the

1 member into active military service, together with statutory
2 interest during all periods of subsequent State service to date
3 of purchase. Upon application for such credit the amount due
4 shall be certified in the case of each member by the board in
5 accordance with methods approved by the actuary, and
6 contributions may be made by:

7 (1) regular monthly payments during active military
8 service; or

9 (2) a lump sum payment within thirty days of
10 certification; or

11 (3) salary deductions in amounts agreed upon by the
12 member and the board.

13 (d) Contributions on account of credit for creditable
14 nonstate service other than military and magisterial service
15 shall be determined by applying the member's basic contribution
16 rate plus the Commonwealth normal contribution rate for active
17 members at the time of entry subsequent to such creditable
18 nonstate service of the member into State service to his
19 compensation at the time of entry into State service and
20 multiplying the result by the number of years and fractional
21 part of a year of creditable nonstate service being purchased
22 together with statutory interest during all periods of
23 subsequent State or school service to the date of purchase. Upon
24 application for credit for such service payment shall be made in
25 a lump sum within thirty days or in the case of an active member
26 it may be amortized with statutory interest through salary
27 deductions in amounts agreed upon by the member and the board.

28 (e) Contributions on account of credit for service as a
29 magistrate of the City of Philadelphia shall be determined by
30 the board to be equal to the amount he would have paid as

1 employee contributions together with statutory interest to date
2 of purchase had he been a State employee during his period of
3 service as a magistrate of the City of Philadelphia. The amount
4 so determined by the State Employees' Retirement Board to be paid
5 into the State Employees' Retirement System shall be the
6 obligation of the judge who requested credit for previous
7 service as a magistrate of the City of Philadelphia; in no event
8 shall such amount be an obligation of the City of Philadelphia
9 or the City of Philadelphia retirement system.

10 § 5506. Incomplete payments.

11 In the event that a member terminates State service before
12 the agreed upon payments for credit for previous State service,
13 creditable nonstate service, social security integration, or
14 full coverage membership have been completed, or before any
15 other amount due the fund has been paid, the member shall have
16 the right to pay within thirty days of termination of State
17 service the balance due, including interest, in a lump sum and
18 the annuity shall be calculated including full credit for the
19 previous State service, creditable nonstate service, social
20 security integration, or full coverage membership. A disability
21 annuitant who does not return to State service shall have the
22 right to pay such amount within thirty days of termination of
23 his disability annuity. In the event a member does not pay the
24 balance due within thirty days of termination of State service
25 or termination of disability payments or in the event a member
26 dies in State service or within thirty days of termination of
27 State service or termination of disability payments and before
28 the agreed upon payments have been completed, the present value
29 of the benefit otherwise payable shall be reduced by the balance
30 due, including interest, and the benefit payable shall be

1 calculated as the actuarial equivalent of such reduced present
2 value.

3 § 5507. Contributions by the Commonwealth and other employers.

4 (a) The Commonwealth and other employers whose employees are
5 members of the system shall make contributions to the fund on
6 behalf of all active members in such amounts as shall be
7 certified by the board as necessary to provide, together with
8 the members' total accumulated deductions, annuity reserves on
9 account of prospective annuities other than those provided in
10 section 5708 in accordance with the actuarial cost method
11 provided in section 5508(a),(b),(c) and (d).

12 (b) The Commonwealth shall make contributions on behalf of
13 ~~all superannuation and disability~~ annuitants in such amounts as
14 shall be certified by the board as necessary to fund the
15 liabilities for supplemental annuities in accordance with the
16 actuarial cost method provided in section 5508(e).

<—

17 § 5508. Actuarial cost method.

18 (a) The amount of the Commonwealth and other employer
19 contributions on behalf of all active members shall be computed
20 by the actuary as a percentage of the total compensation of all
21 active members during the period for which the amount is
22 determined and shall be so certified by the board. The total
23 employer contribution rate on behalf of all active members shall
24 consist of the employer normal contribution rate and the accrued
25 liability contribution rate.

26 (b) The employer normal contribution rate shall be
27 determined after each actuarial valuation on the basis of an
28 annual five and one-half per cent (5 1/2%) interest rate and
29 such mortality and other tables as shall be adopted by the
30 board. Until all accrued liability contributions have been

1 completed, the employer normal contribution rate shall be
2 determined as a level percentage of the compensation of the
3 average new active member, which percentage, if contributed on
4 the basis of his prospective compensation through his entire
5 period of active State service, would be sufficient to fund the
6 liability for any prospective benefit payable to him, except a
7 supplemental benefit as provided in section 5708, in excess of
8 that portion funded by his prospective member contributions.
9 After all accrued liability contributions have been completed,
10 the employer normal contribution rate shall be determined by
11 deducting from the present value of the liabilities for all
12 prospective benefits, except supplemental benefits as provided
13 in section 5708, the sum of the total assets in the fund on the
14 valuation date, excluding the balance in the supplemental
15 annuity account, and the present value of prospective member
16 contributions, and dividing the remainder by the present value
17 of the future compensation of all active members.

18 (c) For the fiscal year beginning July 1, 1969, the accrued
19 liability contribution rate shall be computed as the rate of
20 total compensation of all active members which shall be
21 certified by the actuary as sufficient to fund over a period of
22 ~~30~~ THIRTY years from such date the present value of the
23 liabilities for all prospective benefits, except supplemental
24 benefits as provided in section 5708, in excess of the total
25 assets in the fund, excluding the balance in the supplemental
26 annuity account, and the present value of employer normal
27 contributions and of member contributions payable with respect
28 to all active members on such date during the remainder of their
29 active service, assuming that the total compensation of all
30 active members will increase at the annual rate of four per

<—

1 ~~cents~~ CENT (4%) compounded annually. Thereafter, the amount of <—
2 each annual accrued liability contribution shall be at least
3 four per cent (4%) greater than the amount of such contribution
4 for the previous fiscal year, except that, if the accrued
5 liability is increased by legislation enacted subsequent to July
6 1, 1969, such additional liability shall be funded over a period
7 of thirty years from the first day of July, coincident with or
8 next following the effective date of the increase assuming that
9 the total compensation of all active members will increase at
10 the annual rate of four per cent (4%) compounded annually. The
11 accrued liability contributions under this section shall be
12 discontinued as soon as the total assets in the fund, excluding
13 the balance in the supplemental annuity account, equals the
14 present value of the liability for all prospective benefits,
15 except the supplemental benefits as provided in section 5708,
16 less the present value of the prospective employer normal
17 contributions and of member contributions payable with respect
18 to all active members on such date during the remainder of their
19 active service.

20 (d) In calculating the contributions required by subsections
21 (a),(b) and (c) of this section, the active members of Class C
22 shall be considered to be members of Class A. In addition, the
23 actuary shall determine the Commonwealth or other employer
24 contributions required for active members of Class C AND <—
25 OFFICERS OF THE PENNSYLVANIA STATE POLICE AND ENFORCEMENT
26 OFFICERS AND INVESTIGATORS OF THE PENNSYLVANIA LIQUOR CONTROL
27 BOARD WHO ARE MEMBERS OF CLASS A to finance their benefits in
28 excess of those to which ~~they would have been entitled as~~ OTHER <—
29 members of Class A ARE ENTITLED. Such additional contributions <—
30 ~~for members of Class C~~ shall be determined separately for <—

1 officers and employees of the Pennsylvania State Police and for
2 enforcement officers and investigators of the Pennsylvania
3 Liquor Control Board. Such contributions payable on behalf of
4 officers and employees of the Pennsylvania State Police shall
5 include the amounts received by the system under the provisions
6 of the act of May 12, 1943 (P.L.259, No.120), and on behalf of
7 enforcement officers or investigators of the Pennsylvania Liquor
8 Control Board, the amounts received by the system under the
9 provisions of the "Liquor Code," act of April 12, 1951 (P.L.90,
10 No.21).

11 (e) Contributions from the Commonwealth required to provide
12 for the payment of supplemental annuities ~~to disability and~~ <—
13 ~~superannuation annuitants~~ as provided in section 5708 shall be
14 determined as a percentage of the total compensation of all
15 active members during the period for which the amount is
16 certified as sufficient to fund the liabilities of the
17 supplemental annuity account as of July 1, 1969, as a level
18 percentage over a period of twenty years from such date. In the
19 event that supplemental annuities are increased by legislation
20 enacted subsequent to July 1, 1969, the additional liability for
21 the increase in benefits shall be funded as a level percentage
22 over a period of twenty years from the July 1 FIRST, coincident <—
23 with or next following the effective date of such legislation.

24 § 5509. Appropriations and assessments by the Commonwealth.

25 (a) The board shall prepare and submit annually an itemized
26 budget consisting of the amounts necessary to be appropriated by
27 the Commonwealth out of the General Fund and special operating
28 funds and the amounts to be assessed the other employers
29 required to meet the obligations accruing during the fiscal
30 period beginning the first day of July of the following year.

1 (b) The General Assembly shall make an appropriation
2 sufficient to provide for the obligations of the Commonwealth.
3 Such amount shall be paid by the State Treasurer through the
4 Department of Revenue into the fund in accordance with
5 requisitions presented by the board. The contributions by the
6 Commonwealth on behalf of active members who are officers of the
7 Pennsylvania State Police shall be charged to the General Fund
8 and to the Motor License Fund in the same ratios as used to
9 apportion the appropriations for salaries of members of the
10 Pennsylvania State Police. The contributions by the Commonwealth
11 on behalf of active members who are enforcement officers and
12 investigators of the Pennsylvania Liquor Control Board shall be
13 charged to the General Fund and to the State Stores Fund.

14 (c) The amounts assessed other employers who are required to
15 make the necessary contributions out of funds other than the
16 General Fund shall be paid by such employers into the fund in
17 accordance with requisitions presented by the board. The General
18 Fund of the Commonwealth shall not be held liable to appropriate
19 the moneys required to build up the reserves necessary for the
20 payment of benefits to employees of such other employers. In
21 case any such other employer shall fail to provide the moneys
22 necessary for such purpose, then the service of such members for
23 such period for which money is not so provided shall be credited
24 and payroll deductions shall continue from such members to be
25 credited to the members' savings account. The annuity to which
26 such member is entitled shall be determined as actuarially
27 equivalent to the present value of the maximum single life
28 annuity of each such member reduced by the amount of employer
29 contributions payable on account and attributable to his
30 compensation during such service.

CHAPTER 57

BENEFITS

§ 5701. Return of total accumulated deductions.

Any member upon termination of service may, in lieu of all benefits payable under this chapter to which he may be entitled, elect to receive his total accumulated deductions.

§ 5702. Maximum single life annuity.

(a) Any full coverage member who is eligible to receive an annuity pursuant to the provisions of section 5308(a) or (b) shall be entitled to receive a maximum single life annuity equal to the sum of the following single life annuities beginning at the effective date of retirement:

(1) A standard single life annuity multiplied by the sum of the products, determined separately for each class of service, obtained by multiplying the appropriate class of service multiplier by the ratio of years of service credited in that class to the total credited service. In case the member on the effective date of retirement is under superannuation age for any service, a reduction factor calculated to provide benefits actuarially equivalent to an annuity starting at superannuation age shall be applied to the product determined for that service. The class of service multiplier for any period of concurrent service shall be the ~~average of the class of service multipliers weighted~~ MULTIPLIED by the proportion of TOTAL STATE AND SCHOOL compensation DURING SUCH PERIOD attributable to ~~each class of~~ STATE service. In the event a member has two multipliers for one class of service the class of service multiplier to be used for calculating benefits for that class shall be the average of the two multipliers weighted by the proportion of

1 compensation attributable to each multiplier during the three
2 years of highest annual compensation in that class of
3 service: PROVIDED, THAT IN THE CASE OF A MEMBER OF CLASS E-1, <—
4 A PORTION BUT NOT ALL OF WHOSE THREE YEARS OF HIGHEST ANNUAL
5 JUDICIAL COMPENSATION IS PRIOR TO JANUARY 1, 1973, TWO CLASS
6 OF SERVICE MULTIPLIERS SHALL BE CALCULATED ON THE BASIS OF
7 HIS ENTIRE JUDICIAL SERVICE, THE ONE APPLYING THE JUDICIAL
8 CLASS OF SERVICE MULTIPLIERS EFFECTIVE PRIOR TO JANUARY 1,
9 1973 AND THE SECOND APPLYING THE CLASS OF SERVICE MULTIPLIERS
10 EFFECTIVE SUBSEQUENT TO JANUARY 1, 1973. THE AVERAGE CLASS OF
11 SERVICE MULTIPLIER TO BE USED FOR CALCULATING BENEFITS FOR
12 HIS JUDICIAL SERVICE SHALL BE THE AVERAGE OF THE TWO
13 CALCULATED MULTIPLIERS WEIGHTED BY THE PROPORTION OF
14 COMPENSATION ATTRIBUTABLE TO EACH OF THE CALCULATED
15 MULTIPLIERS DURING THE THREE YEARS OF HIGHEST ANNUAL
16 COMPENSATION IN THAT CLASS OF SERVICE.

17 (2) If eligible, a single life annuity of two per cent
18 (2%) of his average noncovered salary for each year of social
19 security integration credit as provided for in section 5305
20 multiplied, if on the effective date of retirement the member
21 is under superannuation age for any service, by the
22 actuarially determined reduction factor for that service.

23 (3) If eligible, a single life annuity which is
24 actuarially equivalent to the regular accumulated deductions
25 attributable to contributions as a member of Class C, but not
26 less than such annuity determined as if the member were age
27 ~~60~~ SIXTY on the effective date of retirement, actuarially <—
28 reduced in the event the member is under superannuation age
29 on the effective date of retirement.

30 (4) If eligible, a single life annuity which is

1 actuarially equivalent to the amount by which his regular
2 accumulated deductions attributable to any credited service
3 other than as a member of Class C are greater than one-half
4 of the actuarially equivalent value on the effective date of
5 retirement of the annuity as provided in paragraph(a)(1) of
6 this section attributable to service other than Class C for
7 which regular or joint coverage member contributions were
8 made.

9 (5) If eligible, a single life annuity which is
10 actuarially equivalent to the amount by which his social
11 security integration accumulated deductions are greater than
12 one-half of the actuarially equivalent value on the effective
13 date of retirement of the annuity provided for under
14 paragraph(a)(2) of this section.

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

Total Years of Credited Service as a Member of Class A	Percentage of Standard Single Life Annuity
35-40	100%
41	102
42	104

1	43	106
2	44	108
3	45 or more	110

4 (b) The present value of the maximum single life annuity as
5 calculated in accordance with subsection(a) of this section
6 shall be determined by multiplying the maximum single life
7 annuity by the cost of a dollar annuity on the effective date of
8 retirement. Such present value shall be decreased only as
9 required under the provisions of sections 5506, 5509(c), 5703,
10 5706(b) or 5953.

11 (c) The annuity paid to a member under subsection (a) of
12 this section and reduced in accordance with the option elected
13 under section 5705 shall not exceed the highest compensation
14 received during any period of twelve consecutive months of
15 credited service: ~~except~~ PROVIDED, THAT THE PORTION OF ANY
16 ANNUITY PAID TO A MEMBER ON ACCOUNT OF CLASS D-3 SERVICE UNDER
17 PARAGRAPH (A)(1) OF THIS SECTION AND REDUCED IN ACCORDANCE WITH
18 THE OPTION ELECTED UNDER SECTION 5705 SHALL NOT EXCEED THE
19 GREATER OF TWELVE THOUSAND DOLLARS (\$12,000) OR HIS HIGHEST
20 ANNUAL COMPENSATION AS A MEMBER OF THE GENERAL ASSEMBLY. NO
21 LIMIT SHALL BE APPLIED in the case of a member who served as a
22 constitutional officer of the General Assembly prior to January
23 1, 1973.

24 § 5703. Reduction of annuities on account of social security
25 old-age insurance benefits.

26 (a) A joint coverage member who is eligible to receive an
27 annuity under section 5308(a) or (b) shall be entitled to
28 receive the annuity provided for in section 5702 which shall be
29 reduced at the time at which the member would be entitled to
30 receive full social security old-age insurance benefits whether

1 or not he has applied for such benefits. The reduction shall be
2 an amount equal to forty per cent (40%) of the primary insurance
3 amount paid or payable to him and subject to the following
4 provisions:

5 (1) The eligibility of such member for the old-age
6 insurance benefit and the amount of such benefit upon which
7 the reduction in his annuity shall be based shall be
8 determined by the board in accordance with the provisions of
9 the Federal Social Security Act, 42 U.S.C. §§ 301 et seq., in
10 effect on the effective date of retirement, except that in
11 determining such eligibility and such amount only wages or
12 compensation for services covered by the system shall be
13 included.

14 (2) The reduction shall not be more than one-half of the
15 standard single life annuity multiplied by the ratio of the
16 sum of the ~~five~~ THREE years of highest taxable wages to an <—
17 amount equal to ~~five~~ THREE times the final average salary and <—
18 by the ratio of the years of credited service after December
19 31, 1955 to total years of credited service.

20 (3) Whenever the amount of the reduction from the
21 annuity shall have been once determined, it shall remain
22 fixed for the duration of the annuity except that any
23 decrease in the old-age insurance benefit under the Federal
24 Social Security Act, 42 U.S.C. §§301 et seq., shall result in
25 a corresponding decrease in the amount of the reduction from
26 the annuity.

27 (b) The reduction provided for in subsection (a) of this
28 section shall not apply to annuities payable under the
29 provisions of section 5704(a).

30 § 5704. Disability annuities.

1 (a) A member who has made application for a disability
2 annuity and has been found to be eligible in accordance with the
3 provisions of section 5905(c)(1) shall receive a disability
4 annuity payable from the effective date of disability as
5 determined by the board and continued until a subsequent
6 determination by the board that the annuitant is no longer
7 entitled to a disability annuity. The disability annuity shall
8 be equal to a standard single life annuity multiplied by the
9 class of service multiplier applicable to the class of service
10 at the time of disability if the product of such class of
11 service multiplier and the total number of years of credited
12 service is greater than 16.667, otherwise the standard single
13 life annuity shall be multiplied by the lesser of the following
14 ratios:

15
$$MY^*/Y \text{ or } 16.667/Y$$

16 where Y = number of years of credited service, Y* = total years
17 of credited service if the member were to continue as a State
18 employee until attaining superannuation age as applicable at the
19 time of disability, and M = the class of service multiplier as
20 applicable at the time of disability. A member of Class C shall
21 receive, in addition, any annuity to which he may be eligible
22 under section 5702(a)(3).

23 (b) If the member has been found to be eligible for a
24 disability annuity and has social security integration credits
25 as provided in section 5305, he may elect to withdraw his social
26 security integration accumulated deductions or if he has ten or
27 more eligibility points to his credit and does not withdraw his
28 social security integration accumulated deductions he may
29 execute an application to be filed with the board to receive, in
30 addition to his disability annuity, an annuity calculated in

1 accordance with section 5702(a)(2).

2 (c) Subsequent to January 1, 1972, payments on account of
3 disability shall be reduced by that amount by which the earned
4 income of the annuitant, as reported in accordance with section
5 5908(b) for the preceding calendar quarter together with the
6 disability annuity payments provided in this section other than
7 subsection (b), for the quarter, exceeds the product of:

8 (i) the greater of one thousand two hundred fifty
9 dollars (\$1,250) or one-quarter of the last year's salary
10 of the annuitant as a State employee;

11 (ii) the ratio of the current monthly payment to the
12 monthly payment at the effective date of disability; and

13 (iii) the percentage factor determined by the
14 following table for the calendar year of the member's
15 effective date of disability:

16	Calendar Year of	
17	Effective Date of	Percentage
18	Disability	Factor
19	1966 or earlier	135%
20	1967	130
21	1968	125
22	1969	120
23	1970	115
24	1971	110
25	1972	105

26 Provided, That the annuitant shall not receive less than HIS
27 MEMBER'S ANNUITY OR the amount to which he may be entitled under
28 section 5702 WHICHEVER IS GREATER.

29 (d) Payment of that portion of the disability annuity in
30 excess of the annuity to which the annuitant was entitled at the

1 effective date of disability calculated in accordance with
2 section 5702 shall cease if the annuitant is no longer eligible
3 under the provisions of sections 5905(c)(2) or 5908(b) or (c).

4 (e) Upon termination of disability annuity payments in
5 excess of an annuity calculated in accordance with section 5702,
6 a disability annuitant who does not return to State service may
7 file an application with the board for an amount equal to the
8 excess, if any, of the regular accumulated deductions standing
9 to his credit at the effective date of disability over one-third
10 of the total disability annuity payments received. If the
11 annuitant on the date of termination of service was eligible for
12 an annuity as provided in section 5308(b), he may file an
13 application with the board for an election of an optional
14 modification of his annuity.

15 (f) If a member has been found to be eligible for a
16 disability annuity and if the disability has been found to be a
17 service connected disability, such member shall receive a
18 supplement equal to seventy per cent (70%) of his final average
19 salary less the sum of the annuity as determined under
20 subsection (a) of this section and any payments paid or payable
21 on account of such disability under The Pennsylvania Workmen's
22 Compensation Act, The Pennsylvania Occupational Disease Act and
23 the Federal Social Security Act. Such supplement shall continue
24 as long as he is determined to be disabled on account of his
25 service connected disability.

26 § 5705. Member's options.

27 (a) Any vestee having ten or more eligibility points or any
28 other eligible member upon termination of State service who has
29 not withdrawn his total accumulated deductions as provided in
30 section 5701 may apply for and elect to receive either a maximum

1 single life annuity, as calculated in accordance with the
2 provisions of section 5702, or a reduced annuity certified by
3 the actuary to be actuarially equivalent to the maximum single
4 life annuity and in accordance with one of the following
5 options:

6 (1) Option 1. A life annuity to the member with a
7 guaranteed total payment equal to the present value of the
8 maximum single life annuity on the effective date of
9 retirement with the provision that, if, at his death, he has
10 received less than such present value, the unpaid balance
11 shall be payable to his beneficiary.

12 (2) Option 2. A joint and survivor annuity payable
13 during the lifetime of the member with the full amount of
14 such annuity payable thereafter to his survivor annuitant, if
15 living at his death.

16 (3) Option 3. A joint and fifty per cent (50%) survivor
17 annuity payable during the lifetime of the member with one-
18 half of such annuity payable thereafter to his survivor
19 annuitant, if living at his death.

20 (4) Option 4. Some other benefit which shall be
21 certified by the actuary to be actuarially equivalent to the
22 maximum single life annuity, subject to the following
23 restrictions:

24 (i) any annuity shall be payable without reduction
25 during the lifetime of the member except as the result of
26 the member's election to receive an annuity reduced upon
27 attainment of age sixty-five, in anticipation of the
28 receipt of a social security benefit;

29 (ii) the sum of all annuities payable to the
30 designated survivor annuitants shall not be greater than

one and one-half times the annuity payable to the member;
and

(iii) a portion of the benefit may be payable as a lump sum, except that such lump sum payment shall be limited to one such payment and it shall not exceed an amount equal to the total accumulated deductions standing to the credit of the member. The balance of the present value of the maximum single life annuity adjusted in accordance with section 5702(b) shall be paid in the form of an annuity with a guaranteed total payment, a single life annuity, or a joint and survivor annuity or any combination thereof but subject to the restrictions of (i) and (ii) under this option.

(b) In calculating an annuity payable to a member of the joint coverage group, the present value of such adjusted annuity shall be determined by taking into account prospectively the reduction applicable upon the attainment of the age at which full social security benefits are payable.

§ 5706. Termination of annuities.

(a) Any annuity payable under this code shall cease if the annuitant returns to State service or enters school service and elects multiple service membership until subsequent discontinuance of service: Provided, however, That this provision shall not apply in the case of any annuitant who may render services to the Commonwealth in the capacity of an independent contractor: ~~and provided further that~~ AND, PROVIDED <—
FURTHER, THAT when, in the judgment of the head of the department, an emergency creates an increase in the work load such that there is serious impairment of service to the public, an annuitant may, with the approval of the Governor, be returned

1 to State service in a classification in which he had at least
2 two years' experience and without loss of annuity shall receive
3 the pay for such classification for a period not to exceed sixty
4 days in any calendar year.

5 (b) Upon subsequent discontinuance of service, the annuity
6 of an active member whose former annuity as provided by the
7 system had been discontinued, shall be computed with respect to
8 total credited service and reduced by an annuity actuarially
9 equivalent to the benefit payments received as an annuitant
10 prior to attainment of superannuation age.

11 § 5707. Death benefits.

12 (a) Any active member, inactive member on leave without pay
13 or vestee who dies and was eligible for an annuity in accordance
14 with section 5308(a) or (b), shall be considered as having
15 applied for an annuity to become effective the day before his
16 death and in the event he has not elected an option or such
17 election has not been approved prior to his death, it shall be
18 assumed that he elected Option 1.

19 (b) In the event of the death of an active member or an
20 inactive member on leave without pay who is not entitled to a
21 death benefit as provided in subsection(a) of this section, his
22 designated beneficiary shall be paid the full amount of his
23 total accumulated deductions.

24 (c) In the event of the death of a disability annuitant
25 before he has received in annuity payments an amount equal to
26 the present value, on the effective date of disability, of the
27 benefits to which he would have been entitled under
28 subsection(a) of this section had he died while in State
29 service, the balance of such amount shall be paid to his
30 designated beneficiary.

(d) In the event of the death of a disability annuitant who was not entitled to receive benefits under subsection(a) of this section, his beneficiary shall be paid the excess of the regular accumulated deductions standing to his credit on the effective date of disability over one-third of the total disability payments received.

(e) In the event of the death of an annuitant who has elected to receive the maximum single life annuity before he has received in annuity payments the full amount of the total accumulated deductions standing to his credit on the effective date of retirement, the balance shall be paid to his designated beneficiary.

§ 5708. Supplemental annuities.

~~(a) Any annuitant receiving a supplemental annuity prior to the effective date of this act in accordance with the State Employees' Retirement Code of 1959, as amended to the effective date of this act shall continue to receive such supplement.~~

~~(b) Any superannuation or disability annuitant retiring on or after the effective date of this act shall receive a supplement such that the total annuity prior to any optional modification shall be at least sixty five dollars (\$65) for each full year of credited service.~~

~~(c) Every annuitant who is in receipt of a superannuation, withdrawal or disability annuity which became effective prior to July 1, 1972 shall receive, beginning January 1, 1974 and annually thereafter, in monthly installments, a cost of living increase which shall be the product of the retirement annuity payable as of December 31, 1973, including any supplemental annuities under subsections (a) or (b) of this section and the following percentages as determined by the fiscal year in which~~

1 ~~retirement became effective:~~

2 ~~———— Fiscal Year of Retirement ———— Percentage Factor~~

3 ~~—— July 1, 1971 to June 30, 1972..... 5%~~

4 ~~—— July 1, 1970 to June 30, 1971.....10%~~

5 ~~—— July 1, 1969 to June 30, 1970.....15%~~

6 ~~—— July 1, 1968 to June 30, 1969.....20%~~

7 ~~—— July 1, 1967 to June 30, 1968.....25%~~

8 ~~—— Prior to July 1, 1967.....30%~~

9 ~~Provided, however, That such cost of living increase as~~
10 ~~determined above shall not be payable to an annuitant receiving~~
11 ~~a withdrawal annuity prior to the first day of July coincident~~
12 ~~with or following his attainment of superannuation age.~~

13 (A) EVERY ANNUITANT WHO IS IN RECEIPT OF A SUPERANNUATION, <—
14 WITHDRAWAL OR DISABILITY ANNUITY, SHALL CONTINUE TO RECEIVE SUCH
15 ANNUITY AND BEGINNING JULY 1, 1974, ANY ANNUITANT RETIRING ON OR
16 PRIOR TO JUNE 30, 1972, SHALL RECEIVE A COST-OF-LIVING
17 SUPPLEMENT DETERMINED AS A PERCENTAGE APPLIED TO THE ENTIRE
18 RETIREMENT ANNUITY. SUCH COST-OF-LIVING SUPPLEMENT SHALL BE
19 PAYABLE UNDER THE SAME TERMS AND CONDITIONS AS PROVIDED UNDER
20 THE OPTION PLAN IN EFFECT AS OF JULY 1, 1974.

21 (B) THE PERCENTAGE WHICH IS TO BE APPLIED IN THE
22 DETERMINATION OF THE COST-OF-LIVING SUPPLEMENTS, SHALL BE
23 DETERMINED ON THE BASIS OF THE EFFECTIVE DATE OF RETIREMENT AS
24 FOLLOWS:

25	EFFECTIVE DATE OF RETIREMENT	PERCENTAGE FACTOR
26	JULY 1, 1971 TO JUNE 30, 1972	5%
27	JULY 1, 1970 TO JUNE 30, 1971	10%
28	JULY 1, 1969 TO JUNE 30, 1970	15%
29	JULY 1, 1968 TO JUNE 30, 1969	20%
30	JULY 1, 1967 TO JUNE 30, 1968	25%

1 PRIOR TO JULY 1, 1967 30%
2 PROVIDED, HOWEVER, THAT SUCH COST-OF-LIVING SUPPLEMENT AS
3 DETERMINED ABOVE SHALL NOT BE PAYABLE TO AN ANNUITANT RECEIVING
4 A WITHDRAWAL ANNUITY PRIOR TO THE FIRST DAY OF JULY COINCIDENT
5 WITH OR FOLLOWING HIS ATTAINMENT OF SUPERANNUATION AGE: AND
6 FURTHER PROVIDED, THAT ANY MEMBER TERMINATING LEGISLATIVE
7 SERVICE SUBSEQUENT TO NOVEMBER 30, 1970, SHALL BE ENTITLED TO
8 RECEIVE ON ACCOUNT OF CLASS D-3 SERVICE A MAXIMUM SINGLE LIFE
9 ANNUITY PER YEAR OF SERVICE AS A REGULAR MEMBER OF THE GENERAL
10 ASSEMBLY WHICH SHALL NOT BE LESS THAN THE CORRESPONDING MAXIMUM
11 SINGLE LIFE ANNUITY, INCLUDING ANY COST-OF-LIVING SUPPLEMENTS,
12 OF A MEMBER RETIRING FROM LEGISLATIVE SERVICE NOVEMBER 30, 1970.

13 (C) NO COST-OF-LIVING SUPPLEMENT DETERMINED AFTER THE DEATH
14 OF THE MEMBER SHALL BE PAYABLE TO THE BENEFICIARY OR SURVIVOR
15 ANNUITANT OF SUCH DECEASED FORMER STATE EMPLOYEE.

16 (D) ANY SUPERANNUATION OR DISABILITY ANNUITANT SHALL BE
17 ENTITLED TO RECEIVE A SUPPLEMENT SUCH THAT HIS TOTAL ANNUITY
18 INCLUDING ANY COST-OF-LIVING SUPPLEMENT SHALL BE ACTUARIALLY
19 EQUIVALENT TO A MAXIMUM SINGLE LIFE ANNUITY OF EIGHTY-FOUR
20 DOLLARS AND FIFTY CENTS (\$84.50) FOR EACH FULL YEAR OF CREDITED
21 SERVICE.

22 § 5709. Payment of benefits.

23 (a) Any annuity granted under the provisions of this code
24 shall be paid in equal monthly installments.

25 (b) If the amount of a death benefit payable to a
26 beneficiary under section 5707 or under the provisions of Option
27 1 of section 5705(a)(1) is five thousand dollars (\$5,000) or
28 more, such beneficiary may elect to receive payment according to
29 one of the following options:

30 (1) a lump sum payment;

1 (2) an annuity actuarially equivalent to the amount
2 payable; or

3 (3) a lump sum payment and an annuity such that the
4 annuity is actuarially equivalent to the amount payable less
5 the lump sum payment specified by the beneficiary.

6 (c) If the beneficiary designated by a member should
7 predecease him or die within thirty days of his death, or if a
8 valid nomination of a beneficiary is not in effect at his death,
9 any money payable to a beneficiary shall be ~~made~~ PAYABLE to the <—
10 estate of the member.

11 § 5710. Payments under other laws.

12 No payment provided for in this code shall be reduced on
13 account of any other benefits, now or hereafter provided for,
14 under any workmen's compensation law or any other law, except as
15 otherwise herein provided.

16 CHAPTER 59

17 ADMINISTRATION, FUNDS, ACCOUNTS, GENERAL PROVISIONS

18 SUBCHAPTER A

19 ADMINISTRATION

20 § 5901. The State Employees' Retirement Board.

21 (a) The board shall be an independent administrative board
22 and consist of seven members: the State Treasurer, ex officio,
23 and six members appointed by the Governor for terms of four
24 years, subject to confirmation by the Senate. At least five
25 board members shall be active members of the system, and at
26 least two shall have ten or more years of credited State
27 service. The chairman of the board shall be designated by the
28 Governor from among the members of the board.

29 (b) The two members elected by the board and serving on the
30 effective date of this act shall continue to serve until the

1 expiration of their respective terms. Of the remaining four
2 appointees, one shall be appointed for an initial term of two
3 years, one for an initial term of three years, and two for an
4 initial term of four years. A vacancy occurring during the term
5 of an appointed member shall be filled for the unexpired term by
6 the appointment and confirmation of a successor in the same
7 manner as his predecessor. No appointed member shall serve more
8 than two consecutive full terms.

9 (c) Each member of the board shall take an oath of office
10 that he will, so far as it devolves upon him, diligently and
11 honestly, administer the affairs of said board and that he will
12 not knowingly violate or wilfully permit to be violated any of
13 the provisions of law applicable to this code. Such oath shall
14 be subscribed by the member taking it and certified by the
15 officer before whom it is taken and shall be immediately filed
16 in the Office of the Secretary of the Commonwealth.

17 (d) The members of the board who are members of the system
18 shall serve without compensation but shall not suffer loss of
19 salary or wages through serving on the board. The members of the
20 board who are not members of the system shall receive one
21 hundred dollars (\$100) per day when attending meetings and all
22 board members shall be reimbursed for any necessary expenses.
23 However, when the duties of the board as mandated are not
24 executed, no compensation or reimbursement for expenses of board
25 members shall be paid or payable during the period in which such
26 duties are not executed.

27 (e) For the purposes of this code, the board shall possess
28 the power and privileges of a corporation. The Attorney General
29 of the Commonwealth shall be the legal advisor of the board.

30 § 5902. Administrative duties of the board.

1 (a) The secretary, clerical, and other employees of the
2 board and their successors whose positions on the effective date
3 of this act are under the classified service provisions of the
4 "Civil Service Act" of August 5, 1941 (P.L.752, No.286), shall <—
5 continue under such provisions. The compensation of all other
6 persons appointed shall be determined by the board and shall be
7 consistent with the standards established by the Executive Board
8 of this Commonwealth.

9 (b) The board shall contract for the services of a chief
10 medical examiner, an actuary, an investment counselor, and such
11 other professional personnel as it deems advisable.

12 (c) The board shall, through the Governor, submit to the
13 General Assembly annually a budget covering the administrative
14 expenses of this code. Such expenses as approved by the General
15 Assembly in an appropriation bill shall be paid from ~~interest~~ <—
16 INVESTMENT earnings of the fund in excess of ~~statutory~~ THE <—
17 REQUIRED interest, except that if in any year such earnings are
18 not sufficient the balance required, after pro rata assessments
19 payable by any other employer whose employees are members of the
20 system, shall be appropriated from the General Fund and the
21 special operating funds.

22 (d) The board shall hold at least six regular meetings
23 annually and such other meetings as it may deem necessary.

24 (e) The board shall keep a record of all its proceedings
25 which shall be open to inspection by the public.

26 (f) The board shall perform such other functions as are
27 required for the execution of the provisions of this code.

28 (g) In the event the head of the department fails to comply
29 with the procedures as mandated in section 5906, the board shall
30 perform such duties and bill the department for the cost of

1 same.

2 (h) The board shall, with the advice of the Attorney General
3 and the actuary, adopt and promulgate rules and regulations for
4 the uniform administration of the system. The actuary shall
5 approve in writing all computational procedures used in the
6 calculation of contributions and benefits prior to their
7 application by the board.

8 (i) The board shall keep in convenient form such data as are
9 stipulated by the actuary in order that an annual actuarial
10 valuation of the various accounts can be completed within six
11 months of the close of each calendar year.

12 (j) The board shall have the actuary make an annual
13 valuation of the various accounts within six months of the close
14 of each calendar year. In the year 1975 and in every fifth year
15 thereafter the board shall have the actuary conduct an actuarial
16 investigation and evaluation of the system based on data
17 including the mortality, service, and compensation experience
18 provided by the board annually during the preceding five years
19 concerning the members and beneficiaries. The board shall adopt
20 such tables as are necessary for the actuarial valuation of the
21 fund and calculation of contributions, annuities and benefits
22 based on the reports and recommendations of the actuary.

23 (k) The board shall, each year in addition to the itemized
24 budget required under section 5509, certify, as a percentage of
25 the members' payroll, the employers' contributions necessary for
26 the funding of prospective annuities for active members and
27 certify the rates and amounts of the employers' normal
28 contributions and accrued liability contributions which shall be
29 paid to the fund and credited to the appropriate accounts. These
30 certifications shall be regarded as final and not subject to

1 modification by the Budget Secretary.

2 (l) The board shall cause each payroll deduction to be
3 credited to the account of the member from whose compensation
4 the deduction was made and shall pay all such amounts into the
5 fund.

6 (m) The board shall prepare and have published, on or before
7 July first of each year, a financial statement as of the
8 calendar year ending December thirty-first of the previous year
9 showing the condition of the fund and the various accounts and
10 setting forth such other facts, recommendations, and data as may
11 be of use in the advancement of knowledge concerning annuities
12 and other benefits provided by this code. The board shall submit
13 said financial statement to the Governor and shall file copies
14 with the head of each department for the use of the State
15 employees and the public.

16 § 5903. Duties of the board to advise and report to heads of
17 departments and members.

18 (a) The board shall, with the advice of the Attorney General
19 and the actuary, prepare and provide, within ninety days of the
20 effective date of this act, a manual incorporating rules and
21 regulations consistent with the provisions of this code to the
22 heads of departments and their respective retirement counselors
23 who shall make the information contained therein available to
24 the general membership. The board shall thereafter advise the
25 heads of departments within ninety days of any changes in such
26 rules and regulations due to changes in the law or due to
27 changes in administrative policies.

28 (b) The board shall furnish annually to the head of each
29 department on or before April ± FIRST, a statement for each
30 member employed in such department showing the total accumulated

<—

1 deductions standing to his credit as of December ~~31~~ THIRTY-FIRST <—
2 of the previous year and requesting the member to make any
3 necessary corrections or revisions regarding his designated
4 beneficiary. In addition, for each member employed in any
5 department and for whom the retirement counselor has furnished
6 the necessary information, the board shall certify the number of
7 years and fractional part of a year of credited service
8 attributable to each class of service, the number of years and
9 fractional part of a year attributable to social security
10 integration credits in each class of service and, in the case of
11 a member eligible to receive an annuity, the benefit to which he
12 is entitled upon the attainment of superannuation age.

13 (c) Upon receipt of an application from an active member or
14 eligible school employee to purchase credit for previous State
15 or creditable nonstate service, or an election to become a full
16 coverage member, the board shall determine and certify to the
17 member the amount required to be paid by the member. When
18 necessary, the board shall certify to the previous employer the
19 amount due in accordance with sections 5504 and 5505.

20 (d) Upon receipt of an application from a joint coverage
21 member who elects to become a full coverage member, the board
22 shall certify to the member the effective date of such transfer
23 and the prospective rate for regular member contributions.

24 § 5904. Duties of the board to report to the Public School
25 Employees' Retirement Board.

26 (a) Upon receipt of an application for membership in the
27 system of a State employee who is a former public school
28 employee and who has elected multiple service membership, the
29 board shall advise the Public School Employees' Retirement Board
30 accordingly.

1 (b) Upon receipt of notification from the Public School
2 Employees' Retirement Board that a former State employee has
3 become an active member in the Public School Employees'
4 Retirement System and has elected to receive credit for multiple
5 service, the board shall certify to the Public School Employees'
6 Retirement Board and concurrently to the member:

7 (1) the total credited service in the system and the
8 number of years and fractional part of a year of service
9 credited in each class of service;

10 (2) the annual compensation received each calendar year
11 by the member for credited State service; and

12 (3) the social security integration credited service to
13 which the member is entitled and the average noncovered
14 salary upon which the single life annuity attributable to
15 such service will be computed.

16 (c) Upon receipt of notification and the required data from
17 the Public School Employees' Retirement Board that a former State
18 employee who elected multiple service has applied for a public
19 school employees' retirement benefit or, in the event of his
20 death, his legally constituted representative has applied for
21 such benefit, the board shall:

22 (1) certify to the Public School Employees' Retirement
23 Board;

24 (i) the salary history as a member of the State
25 Employees' Retirement System and the final average salary
26 as calculated on the basis of the compensation received
27 as a State and school employee; and

28 (ii) the annuity or benefit to which the member or
29 his beneficiary is entitled as modified according to the
30 option selected; and

(2) transfer to the Public School Employees' Retirement Fund the total accumulated deductions standing to such member's credit and the actuarial reserve required on account of years of credited service in the State system, final average salary and the average noncovered salary to be charged to the State accumulation account, the State Police benefit account or the enforcement officers' benefit account, as each case may require.

§ 5905. Duties of the board regarding applications and elections of members.

(a) As soon as practicable after each member shall have become an active member in the system, the board shall issue to the member a statement certifying his class of service, his member contribution rate, and the aggregate length of total previous State service and creditable nonstate service for which he may receive credit.

(b) Upon receipt of notification from the Public School Employees' Retirement Board that a former State employee has become an active member in the Public School Employees' Retirement System and has elected to become a member with multiple service status the board shall:

(1) in case of a member receiving an annuity from the system, discontinue payments, transfer the present value, at that time, of the member's annuity from the annuity reserve account to the members' savings account and resume crediting of statutory interest on the amount restored to his credit and transfer the balance of the present value of the total annuity from the annuity reserve account to the State accumulation account; or

(2) in case of a member who is not receiving an annuity

1 and has not withdrawn his total accumulated deductions,
2 continue or resume the crediting of statutory interest on his
3 total accumulated deductions during the period his total
4 accumulated deductions remain in the fund; or

5 (3) in case of a former State employee who is not
6 receiving an annuity from the system and his total
7 accumulated deductions were withdrawn, certify to the former
8 State employee the accumulated deductions as they would have
9 been at the time of his separation had he been a full
10 coverage member together with statutory interest for all
11 periods of subsequent State and school service to the date of
12 repayment. Such amount shall be restored by him and shall be
13 credited with statutory interest as such payments are
14 restored.

15 (c) In every case where the board has received an
16 application for a disability annuity based upon physical or
17 mental incapacity for the performance of the job for which the
18 member is employed, taking into account relevant decisions by
19 The Pennsylvania Workmen's Compensation Board, the board shall:

20 (1) through the chief medical examiner, have the
21 applicant examined and on the basis of said examination, and
22 the subsequent recommendation by the chief medical examiner
23 regarding the applicant's medical qualification for a
24 disability annuity along with such other recommendations
25 which he may make with respect to the permanency of
26 disability or the need for subsequent reexaminations, make a
27 finding of disability and whether or not the disability is
28 service connected or nondisability and in the case of
29 disability establish an effective date of disability and the
30 terms and conditions regarding subsequent reexaminations;

1 (2) upon the recommendation of the chief medical
2 examiner on the basis of subsequent medical examinations,
3 make a finding of continued disability and whether or not the
4 disability continues to be service connected, or a finding of
5 nondisability; and in the case of a finding that the
6 disability is no longer service connected, discontinue any
7 supplemental payments on account of such service connected
8 disability as of the date of the finding; and in the case of
9 a finding of nondisability establish the date of termination
10 of disability and at that time discontinue any annuity
11 payments in excess of an annuity calculated in accordance
12 with section 5702; and

13 (3) upon receipt of a written statement from a
14 disability annuitant of his earned income of the previous
15 quarter, adjust the payments of the disability annuity for
16 the following quarter in accordance with the provisions of
17 section 5704(c).

18 (d) Upon receipt of a member's application to withdraw his
19 total accumulated deductions and any data required from the head
20 of the department, the board shall pay to such member within
21 sixty days after filing the application or termination of State
22 service whichever is later the total accumulated deductions
23 standing to his credit.

24 (e) The board shall certify to a vestee within one year of
25 termination of State service of such member:

26 (1) the total accumulated deductions standing to his
27 credit at the date of termination of service;

28 (2) the number of years and fractional part of a year of
29 credit in each class of service; and

30 (3) the maximum single life annuity to which the vestee

1 shall become entitled upon the attainment of superannuation
2 age and the filing of an application for such annuity.

3 (f) The board shall make the first monthly payment to a
4 member who is eligible for an annuity within ~~60~~ SIXTY days of <—
5 the filing of his application for an annuity and receipt of the
6 required data from the head of the department. Concurrently the
7 board shall certify to such member:

8 (1) the total accumulated deductions standing to his
9 credit showing separately the amount contributed and the
10 interest credited to the date of termination of service;

11 (2) the number of years and fractional part of a year
12 credited in each class of service;

13 (3) the final average salary on which his annuity is
14 based as well as any applicable reduction factors due to age
15 and/or election of an option; and

16 (4) the total annuity payable under the option elected
17 and the amount and effective date of any future reduction
18 under section 5703.

19 (g) Upon receipt of notification from the head of a
20 department of the death of an active member or a member on leave
21 without pay, the board shall advise the designated beneficiary
22 of the benefits to which he is entitled, and shall make the
23 first payment to the beneficiary within sixty days of receipt of
24 certification of death.

25 (h) Upon receipt of the election by an eligible member to
26 convert his medical, major medical, and hospitalization
27 insurance coverage to the plan for State annuitants, the board
28 shall notify the insurance carrier of such election and shall
29 deduct the appropriate annual charges in equal monthly
30 installments. Such deductions shall be transmitted to the

1 designated fiscal officer of the Commonwealth having
2 jurisdiction over the payment of such group charges on behalf of
3 the annuitant.

4 (i) The board shall notify in writing each joint coverage
5 annuitant who retired prior to July 1, 1962 that he may elect
6 any time prior to July 1, 1974 to receive his annuity without
7 reduction attributable to social security coverage upon payment
8 in a lump sum of the amount which shall be certified by the
9 board within sixty days of such election. Upon receipt of such
10 payment the board shall recompute the annuity payable to such
11 annuitant and the annuity and/or lump sum, if any, payable upon
12 his death to his beneficiary or survivor annuitant as though he
13 had been a full coverage member on the effective date of
14 retirement. Such recomputed annuity shall be paid beginning with
15 the second monthly payment next following the month in which the
16 lump sum payment is received.

17 § 5906. Duties of heads of departments.

18 (a) The head of department shall, at the end of each pay
19 period, notify the board in a manner prescribed by the board of
20 salary changes effective during that period for any members of
21 the department, the date of all removals from the payroll, and
22 the type of leave of any members of the department who have been
23 removed from the payroll for any time during that period, and:

24 (1) if the removal is due to leave without pay, he shall
25 furnish the board with the date of beginning leave and the
26 date of return to service, and the reason for leave; or

27 (2) if the removal is due to a transfer to another
28 department, he shall furnish such department and the board
29 with a complete State service record, including past State
30 service in other departments or agencies, or creditable

1 nonstate service; or

2 (3) if the removal is due to termination of State
3 service, he shall furnish the board with a complete State
4 service record, including service in other departments or
5 agencies, or creditable nonstate service and;

6 (i) in the case of death of the member the head of
7 the department shall so notify the board;

8 (ii) in the case of a service connected disability
9 the head of department shall, to the best of his ability,
10 investigate the circumstances surrounding the disablement
11 of the member and submit in writing to the board
12 information which shall include but not necessarily be
13 limited to the following: date, place and time of
14 disablement to the extent ascertainable; nature of duties
15 being performed at such time; and whether or not the
16 duties being performed were authorized and included among
17 the member's regular duties. In addition, the head of
18 department shall furnish in writing to the board all such
19 other information as may be related to the member's
20 disablement.

21 (b) At any time at the request of the board and at
22 termination of service of a member, the head of department shall
23 furnish service and compensation records and such other
24 information as the board may require and shall maintain and
25 preserve such records as the board may direct for the
26 expeditious discharge of its duties.

27 (c) The head of department shall cause to be deducted the
28 required member contributions from each payroll. The head of
29 department shall certify to the State Treasurer the amounts
30 deducted and shall send the total amount deducted together with

1 a duplicate of such voucher to the secretary of the board every
2 pay period.

3 (d) Upon the assumption of duties of each new State employee
4 whose membership in the system is mandatory, the head of
5 department shall cause an application for membership and a
6 nomination of beneficiary to be made by such employee and filed
7 with the board and shall make payroll deductions from the
8 effective date of State employment. ~~The head of department shall~~ <—
9 ~~inform such employee of his right to elect to make additional~~
10 ~~contributions on account of social security integration credit.~~

11 (e) The head of department shall, upon the employment or
12 entering into office of any State employee whose membership in
13 the system is not mandatory, inform such employee of his
14 opportunity to become a member of the system. ~~and of his right~~ <—
15 ~~to elect to make additional contributions on account of social~~
16 ~~security integration credit.~~ If such employee so elects, the
17 head of department shall cause an application for membership and
18 a nomination of beneficiary to be made by him and filed with the
19 board and shall make payroll deductions from the effective date
20 of membership.

21 (f) The head of department shall designate an employee of
22 his department to serve as a retirement counselor subject to
23 approval by the board. Such retirement counselor shall assist
24 the head of department in advising the employees of the
25 department of their rights and duties as members of the system.

26 (g) The head of department shall, upon the employment of a
27 former contributor to the Public School Employees' Retirement
28 System who is not an annuitant of the Public School Employees'
29 Retirement System, advise such employee of his right to elect to
30 become a multiple service member, and in the case of any such

1 employee who has withdrawn his accumulated deductions, advise
2 him of his right at any time prior to termination of service as
3 a State employee to reinstate his credit in the Public School
4 Employees' Retirement System by restoring his accumulated
5 deductions. The head of the department shall advise the board of
6 such election.

7 (h) The head of department shall, upon the employment of an
8 annuitant of the Public School Employees' Retirement System who
9 applies for membership in the system, advise such employee that
10 he may elect multiple service membership and if he so elects his
11 public school employee's annuity will be discontinued and, upon
12 termination of State service and application for retirement, the
13 annuity will be recomputed and paid on the basis of his total
14 school and State service. The head of department shall advise
15 the board of such election.

16 (i) Annually, upon receipt from the board, the head of
17 department shall furnish to each member the statement specified
18 in section 5903(b).

19 (j) The head of department shall, in the case of any member
20 terminating State service, advise such member in writing of any
21 benefits to which he may be entitled under the provisions of
22 this code and shall have the member prepare, on or before the
23 date of termination of State service one of the following three
24 forms, a copy of which shall be given to the member and the
25 original of which shall be filed with the board:

26 (1) an application for the return of total accumulated
27 deductions; or

28 (2) an election to vest his retirement rights, and if he
29 is a joint coverage member and so desires, elect to become a
30 full coverage member and agree to pay within thirty days of

1 the date of termination of service the lump sum required; or

2 (3) an application for an immediate annuity; and if he
3 desires,

4 (i) an election to convert his medical, major
5 medical, and hospitalization insurance coverage to the
6 plan for State annuitants; and

7 (ii) if he is a joint coverage member, an election
8 to become a full coverage member and an agreement to pay
9 within thirty days of date of termination of service the
10 lump sum required.

11 (k) Any application properly executed and filed under
12 subsection (j) with the department and not filed with the board
13 within thirty days shall be deemed to have been filed with the
14 board on the date filed with the department and in such case all
15 required data shall be furnished to the board immediately.

16 § 5907. Rights and duties of State employees and members.

17 (a) Upon his assumption of duties each new State employee
18 shall furnish the head of department with a complete record of
19 his previous State service, his school service or creditable
20 nonstate service, and proof of his date of birth and current
21 status in the system and in the Public School Employees'
22 Retirement System. Wilful failure to provide the information
23 required by this subsection to the extent available upon
24 entrance into the system shall result in the forfeiture of the
25 right of the member to subsequently assert any right to benefits
26 based on any of the required information which he failed to
27 provide. In any case in which the board finds that a member is
28 receiving an annuity based on false information, the total
29 amount received predicated on such false information together
30 with statutory interest doubled and compounded shall be deducted

1 from the present value of any remaining benefits to which the
2 member is legally entitled.

3 (b) In the case of a new employee who is not currently a
4 member of the system, and whose membership is mandatory or in
5 the case of a new employee whose membership in the system is not
6 mandatory but who desires to become a member of the system, the
7 new employee shall execute an application for membership and a
8 nomination of beneficiary and shall make the proper
9 contributions.

10 ~~(c) Any member who has not elected to receive social~~ <—
11 ~~security integration credit may elect to receive such credit~~
12 ~~prospectively by written notice filed with the board and shall~~
13 ~~agree in such notice to make the required additional~~
14 ~~contributions during all prospective periods of active State~~
15 ~~service.~~

16 ~~(d)~~ (C) Any active member who was formerly an active member <—
17 in the Public School Employees' Retirement System may elect to
18 become a multiple service member.

19 ~~(e)~~ (D) Any active member or eligible school employee who <—
20 desires to receive credit for his total previous State service
21 or creditable nonstate service to which he is entitled, or a
22 joint coverage member who desires to become a full coverage
23 member, shall so notify the board and upon written agreement by
24 the member and the board as to the manner of payment of the
25 amount due, the member shall receive credit for such service as
26 of the date of such agreement.

27 ~~(f)~~ (E) Every member shall nominate a beneficiary by written <—
28 designation duly acknowledged and filed with the board as
29 provided in section 5906(d) or (e) to receive the death benefit
30 payable under section 5707 or the benefit payable under the

1 provisions of Option 1 of section 5705(a)(1). Such nomination
2 may be changed at any time by the member by written designation
3 duly acknowledged and filed with the board. A member may also
4 nominate a contingent beneficiary or beneficiaries to receive
5 the death benefit provided under section 5707 or the benefit
6 payable under the provisions of Option 1 of section 5705(a)(1).

7 ~~(g)~~ (F) Each member who terminates State service shall <—
8 execute on or before the date of termination of service the
9 appropriate application, duly attested by the member or his
10 legally constituted representative, electing to:

11 (1) withdraw his total accumulated deductions; or

12 (2) vest his retirement rights; and if he is a joint
13 coverage member, and so desires, elect to become a full
14 coverage member and agree to pay within thirty days of the
15 date of termination of service the lump sum required; or

16 (3) receive an immediate annuity, and may,

17 (i) if eligible, elect to convert his medical, major
18 medical, and hospitalization coverage to the plan for
19 State annuitants; and

20 (ii) if he is a joint coverage member, elect to
21 become a full coverage member and agree to pay within 30
22 days of date of termination of service the lump sum
23 required.

24 ~~(h)~~ (G) If a member elects to vest his retirement rights he <—
25 shall nominate a beneficiary by written designation duly
26 acknowledged and filed with the board and he may anytime
27 thereafter, withdraw the total accumulated deductions standing
28 to his credit or apply for an annuity.

29 ~~(i)~~ (H) Upon attainment of superannuation age a vestee shall <—
30 execute and file an application for an annuity. Any such

1 application filed within ninety days after attaining
2 superannuation age shall be effective as of the date of
3 attainment of superannuation age. Any application filed after
4 such period shall be effective as of the date it is filed with
5 the board. If a vestee does not file an application within seven
6 years after attaining superannuation age, he shall be deemed to
7 have elected to receive his total accumulated deductions upon
8 attainment of superannuation age.

9 ~~(j)~~ (I) If a member is eligible to receive an annuity and <—
10 does not file a proper application within ninety days of
11 termination of service, his annuity will become effective as of
12 the date the application is filed with the board or the date
13 designated on the application whichever is later.

14 ~~(k)~~ (J) A member who is eligible and elects to receive a <—
15 reduced annuity under Option 1, 2, 3, or 4, shall nominate a
16 beneficiary or a survivor annuitant, as the case may be, by
17 written designation duly acknowledged and filed with the board
18 at the time of his retirement. A member having designated a
19 survivor annuitant at the time of retirement shall not be
20 permitted to nominate a new survivor annuitant unless such
21 survivor annuitant predeceases him. In such event, the annuitant
22 shall have the right to reelect an option and to nominate a
23 beneficiary or a new survivor annuitant and to have his annuity
24 recomputed to be actuarially equivalent as of the date of
25 recomputation to a single life annuity in the amount of the
26 reduced annuity which he was receiving immediately prior to the
27 recomputation.

28 ~~(l)~~ (K) If service of a member who is under superannuation <—
29 age is terminated due to his physical or mental incapacity for
30 the performance of duty, an application for a disability annuity

1 with or without a supplement for a service connected disability
2 may be executed by him or by a person legally authorized to act
3 on his behalf.

4 § 5908. Rights and duties of annuitants.

5 (a) Any annuitant who is a joint coverage member who was
6 receiving an annuity prior to July 1, 1962, may elect to receive
7 his annuity without reduction on account of social security old-
8 age insurance benefits: Provided, That he shall file such
9 election with the board prior to July 1, 1974 and shall make a
10 lump sum payment within ~~60~~ SIXTY days of receipt of the <—
11 certification of the amount due.

12 (b) It shall be the duty of an annuitant receiving a
13 disability annuity prior to the attainment of age fifty to
14 furnish a written statement within thirty days of the close of
15 each calendar quarter of all earned income during that quarter
16 and information showing whether or not he is able to engage in a
17 gainful occupation and such other information as may be required
18 by the board. On failure, neglect, or refusal to furnish such
19 information for the period of the preceding quarter, the board
20 may refuse to make further payments due to disability to such
21 annuitant until he has furnished such information to the
22 satisfaction of the board. Should such refusal continue for six
23 months, all of his rights to the disability annuity payments in
24 excess of any annuity to which he is otherwise entitled shall be
25 forfeited from the date of his last written statement to the
26 board. Any moneys received in excess of those to which he was
27 entitled shall be deducted from the present value of the annuity
28 to which he is otherwise entitled.

29 (c) Should any annuitant receiving a disability annuity
30 while still under superannuation age refuse to submit to a

1 medical examination by a physician or physicians at the request
2 of the board, his payments due to disability shall be
3 discontinued until the withdrawal of such refusal. Should such
4 refusal continue for a period of six months, all of his rights
5 to the disability annuity payments in excess of any annuity to
6 which he is otherwise entitled shall be forfeited.

7 SUBCHAPTER C

8 STATE EMPLOYES' RETIREMENT FUND AND ACCOUNTS

9 § 5931. Management of fund and accounts.

10 (a) The members of the board shall be the trustees of the
11 fund and shall have exclusive control and management of the said
12 fund and full power to invest the same, subject, however, to all
13 the terms, conditions, limitations and restrictions imposed by
14 this code or other law upon the making of investments. Subject
15 to like terms, conditions, limitations and restrictions, said
16 trustees shall have the power to hold, purchase, sell, assign,
17 transfer or dispose of any of the securities and investments in
18 which any of the moneys in the fund shall have been invested as
19 well as of the proceeds of said investments and of any moneys
20 belonging to said fund.

21 (b) The board, annually, shall allow ~~statutory~~ THE REQUIRED <—
22 interest on the mean amount for the preceding year to the credit
23 of each of the accounts. The amount so allowed shall be credited
24 thereto by the board and transferred from the interest reserve
25 account.

26 (c) The State Treasurer shall be the custodian of the fund.

27 (d) All payments from the fund shall be made by the State
28 Treasurer in accordance with requisitions signed by the
29 secretary of the board and ratified by resolution of the board.

30 (e) The members of the board, employees of the board and

1 agents thereof shall stand in a fiduciary relationship to the
2 members of the system regarding the investments and
3 disbursements of any of the moneys of the fund and shall not
4 profit either directly or indirectly with respect thereto.

5 (f) By the name of "The State Employees' Retirement System"
6 all of the business of the system shall be transacted, its fund
7 invested, all requisitions for money drawn and payments made,
8 and all of its cash and securities and other property shall be
9 held, EXCEPT THAT, ANY OTHER LAW TO THE CONTRARY

<—

10 NOTWITHSTANDING, THE BOARD MAY ESTABLISH A NOMINEE REGISTRATION
11 PROCEDURE FOR THE PURPOSE OF REGISTERING SECURITIES IN ORDER TO
12 FACILITATE THE PURCHASE, SALE OR OTHER DISPOSITION OF SECURITIES
13 PURSUANT TO THE PROVISIONS OF THIS LAW.

14 (g) For the purpose of meeting disbursements for annuities
15 and other payments in excess of the receipts, there shall be
16 kept available by the State Treasurer an amount, not exceeding
17 ~~10%~~ TEN PER CENT (10%) of the total amount in the fund, on
18 deposit in any bank or banks in this Commonwealth organized
19 under the laws thereof or under the laws of the United States or
20 with any trust company or companies incorporated by any law of
21 this Commonwealth, provided any of such banks or trust companies
22 shall furnish adequate security for said deposit, and provided
23 that the sum so deposited in any one bank or trust company shall
24 not exceed twenty-five per cent (25%) of the paid-up capital and
25 surplus of said bank or trust company.

<—

26 (h) Preferred and common stock as defined in subsection (i)
27 of any corporation as defined in subsection (j) organized under
28 the laws of the United States or of any commonwealth or state
29 thereof or of the District of Columbia shall be an authorized
30 investment of the fund, regardless of any other provision of law

1 provided that:

2 (1) such stock be purchased with the exercise of that
3 degree of judgment and care under the circumstances then
4 prevailing which men of prudence, discretion and intelligence
5 exercise in the management of their own affairs not in regard
6 to speculation, but in regard to the permanent disposition of
7 the funds, considering the probable income to be derived
8 therefrom as well as the probable safety of their capital;

9 (2) in the case of any stock other than stock of a bank
10 or insurance company, the stock be listed or traded (or if
11 unlisted or not entitled to trading privileges shall be
12 eligible for listing and application for such listing shall
13 have been made) on the New York Stock Exchange or any other
14 exchange approved by the Secretary of Banking;

15 (3) no investment in common stock be made which at that
16 time would cause the book value of the investments in common
17 stock to exceed ~~ten per cent (10%)~~ TWENTY-FIVE PER CENT (25%) <—
18 of the total assets of the fund;

19 (4) no more than ~~two per cent (2%)~~ FIVE PER CENT (5%) of <—
20 the total assets of the fund be invested in common stocks in
21 any one year, provided that any unused portion may be used in
22 subsequent years, but in no event shall more than eight per
23 cent (8%) of such assets be invested in common stocks in any
24 one year;

25 (5) the amount invested in the common stock of any one
26 company not exceed at cost ~~one per cent (1%)~~ TWO PER CENT <—
27 (2%) of the book value of the assets of the fund at the time
28 of purchase and shall not exceed ~~two and one half per cent (2~~ <—
29 ~~1/2%)~~ FIVE PER CENT (5%) of the issued and outstanding common <—
30 stock of that company; AND <—

1 ~~(6) in no event the total amount invested in common~~ <—
2 ~~stocks at any time be in excess of fifty per cent (50%) of~~
3 ~~the total amount of the fund invested in mortgage loans on~~
4 ~~real estate located in the Commonwealth of Pennsylvania which~~
5 ~~are insured by the Federal Housing Administration or the~~
6 ~~Veterans' Administration; and~~

7 ~~(7)~~ (6) no sale or other liquidation of any investment be
8 required solely because of any change in market values
9 whereby the percentages of stocks hereinabove set forth are
10 exceeded.

11 (i) "Common stock" as used in subsection (h) shall include
12 the stock certificates, certificates of beneficial interests or
13 trust participation certificates issued by any corporation or
14 unincorporated association included under the definition of
15 "corporation" in the following paragraph.

16 (j) "Corporation" as used in subsection (h) shall include a
17 voluntary association, a joint-stock association or company, a
18 business trust, a Massachusetts trust, a common-law trust and
19 any other organization organized and existing for any lawful
20 purpose and which like a corporation, continues to exist,
21 notwithstanding changes in the personnel of its members or
22 participants and conducts its affairs through a committee, a
23 board or some other group acting in a representative capacity.

24 § 5932. State Employees' Retirement Fund.

25 The fund shall consist of all moneys in the several separate
26 funds in the State Treasury, set apart to be used under the
27 direction of the board for the benefit of members of the system;
28 and the Treasury Department shall credit to the fund all moneys
29 received from the Department of Revenue arising from the
30 contributions required under the provisions of Chapter 55, and

1 all interest earned by the investments or moneys of said fund.
2 There shall be established and maintained by the board the
3 several ledger accounts specified in sections 5933, 5934, 5935,
4 5936, 5937, 5938 and 5939.

5 § 5933. Members' savings account.

6 (a) The members' savings account shall be the ledger account
7 to which shall be credited the amounts of the contributions or
8 lump sum payments made by active members in accordance with the
9 provisions OF sections 5501, 5502, 5503, 5504 and 5505. <—

10 (b) The members' savings account in total and the individual
11 member accounts shall be credited with statutory interest. The
12 total accumulated deductions credited to a member whose
13 application for an annuity has been approved shall be
14 transferred from the members' savings account to the annuity
15 reserve account provided for in section 5935, except in the case
16 of a member who is an officer of the Pennsylvania State Police
17 or an enforcement officer the total accumulated deductions to
18 his credit shall be transferred from the members' savings
19 account to the State Police benefit account provided for in
20 section 5936 or to the enforcement officers benefit account
21 provided for in section 5937, as the case may be.

22 (c) Upon the election of a member to withdraw his total
23 accumulated deductions, the payment of such amount shall be
24 charged to the members' savings account.

25 § 5934. State accumulation account.

26 The State accumulation account shall be the ledger account to
27 which shall be credited all contributions of the Commonwealth or
28 other employers whose employees are members of the system and
29 made in accordance with the provisions of section 5507(a) except
30 that the amounts received under the provisions of the act of May

1 12, 1943 (P.L.259, No. 120), and the amounts received under the
2 provisions of the "Liquor Code," act of April 12, 1951 (P.L.90,
3 No.21), shall be credited to the State Police benefit account or
4 the enforcement officers' benefit account as the case may be.

5 The State accumulation account shall be credited with ~~statutory~~ <—
6 VALUATION interest. The reserves necessary for the payment of <—
7 annuities and death benefits as approved by the board and as
8 provided in Chapter 57 shall be transferred from the State
9 accumulation account to the annuity reserve account provided for
10 in section 5935, except that the reserves necessary on account
11 of a member who is an officer of the Pennsylvania State Police
12 or an enforcement officer shall be transferred from the State
13 accumulation account to the State Police benefit account
14 provided for in section 5936 or to the enforcement officers'
15 benefit account as provided for in section 5937 as the case may
16 be.

17 § 5935. Annuity reserve account.

18 (a) The annuity reserve account shall be the ledger account
19 to which shall be credited the reserves held for payment of
20 annuities and death benefits on account of all annuitants except
21 in the case of members who are officers of the Pennsylvania
22 State Police or enforcement officers. The annuity reserve
23 account shall be credited with ~~statutory~~ VALUATION interest. <—
24 After the transfers provided in sections 5933, 5934 and 5938,
25 all annuity and death benefit payments except those payable to
26 any member who retires as an officer of the Pennsylvania State
27 Police or an enforcement officer shall be charged to the annuity
28 reserve account and paid from the fund.

29 (b) Should an annuitant other than a member who was retired
30 as an officer of the Pennsylvania State Police or an enforcement

1 officer be subsequently restored to active service, the present
2 value of his member's annuity at the time of reentry into State
3 service shall be transferred from the annuity reserve account
4 and placed to his individual credit in the members' savings
5 account. In addition, the actuarial reserve for his annuity less
6 the amount transferred to the members' savings account shall be
7 transferred from the annuity reserve account to the State
8 accumulation account.

9 § 5936. State Police benefit account.

10 (a) The State Police benefit account shall be the ledger
11 account to which shall be credited all contributions received
12 under the provisions of the act of May 12, 1943 (P.L.259, No.
13 120), and any additional Commonwealth or other employer
14 contributions provided for in section 5507 which are creditable
15 to the State Police benefit account. The State Police benefit
16 account shall be credited with ~~statutory~~ THE REQUIRED interest. <—
17 In addition, upon the filing of an application for an annuity by
18 a member who is an officer of the Pennsylvania State Police, the
19 total accumulated deductions standing to the credit of the
20 member in the members' savings account and the necessary
21 reserves from the State accumulation account shall be
22 transferred to the State Police benefit account. Thereafter, the
23 total annuity of such annuitant shall be charged to the State
24 Police benefit account and paid from the fund.

25 (b) Should the said annuitant be subsequently restored to
26 active service, the present value of the member's annuity at the
27 time of reentry into State service shall be transferred from the
28 State Police benefit account and placed to his individual credit
29 in the members' savings account. In addition, the actuarial
30 reserve for his annuity calculated as if he had been a member of

1 Class A less the amount transferred to the members' savings
2 account shall be transferred from the State Police benefit
3 account to the State accumulation account. Upon subsequent
4 retirement other than as an officer of the Pennsylvania State
5 Police the actuarial reserve remaining in the State Police
6 benefit account shall be transferred to the appropriate reserve
7 account.

8 § 5937. Enforcement officers' benefit account.

9 (a) The enforcement officers' benefit account shall be the
10 ledger account to which shall be credited moneys transferred
11 from the Enforcement Officers' Retirement Account in the State
12 Stores Fund according to the provisions of the "Liquor Code,"
13 act of April 12, 1951 (P.L.90, No. 21), and any additional
14 Commonwealth or other employer contributions provided for in
15 section 5507 which are creditable to the enforcement officers'
16 benefit account. The enforcement officers' benefit account shall
17 be credited with ~~statutory~~ THE REQUIRED interest. In addition, <—
18 upon the filing of an application for an annuity by a member who
19 is an enforcement officer of the Pennsylvania Liquor Control
20 Board, the total accumulated deductions standing to the credit
21 of the member in the members' savings account and the necessary
22 reserves from the State accumulation account shall be
23 transferred to the enforcement officers' benefit account.
24 Thereafter, the total annuity of such annuitant shall be charged
25 to the enforcement officers' benefit account and paid from the
26 fund.

27 (b) Should the said annuitant be subsequently restored to
28 active service, the present value of the member's annuity at the
29 time of reentry into State service shall be transferred from the
30 enforcement officers' benefit account and placed to his

1 individual credit in the members' savings account. In addition,
2 the actuarial reserve for his annuity calculated as if he had
3 been a member of Class A less the amount transferred to the
4 members' savings account shall be transferred from the
5 enforcement officers' benefit account to the State accumulation
6 account. Upon subsequent retirement other than as an enforcement
7 officer the actuarial reserve remaining in the enforcement
8 officers' benefit account shall be transferred to the
9 appropriate reserve account.

10 § 5938. Supplemental annuity account.

11 The supplemental annuity account shall be the ledger account
12 to which shall be credited all contributions from the
13 Commonwealth in accordance with section 5507(b) for the payment
14 of the supplemental annuities provided in section 5708. The
15 supplemental annuity account shall be credited with ~~statutory~~ <—
16 VALUATION interest. The reserves necessary for the payment of <—
17 such supplemental annuities shall be transferred from the
18 supplemental annuity account to the annuity reserve account as
19 provided in section 5935.

20 § 5939. Interest reserve account.

21 The interest reserve account shall be the ledger account to
22 which shall be credited all moneys earned by the fund. At the
23 end of each year ~~statutory~~ THE REQUIRED interest shall be <—
24 transferred from the interest reserve account to the credit of
25 each of the accounts in accordance with the provisions of this
26 subchapter. The administrative expenses of the board shall be
27 charged to the interest reserve account and paid from the fund
28 out of earnings in excess of the total ~~statutory~~ interest <—
29 required for all accounts. Any balance remaining in the interest
30 reserve account at the end of each year shall be transferred to

1 the State accumulation account.

2 SUBCHAPTER E

3 GENERAL PROVISIONS

4 § 5951. State guarantee.

5 ~~Statutory~~ THE REQUIRED interest charges payable, the <—
6 maintenance of reserves in the fund, and the payment of all
7 annuities and other benefits granted by the board under the
8 provisions of this code are hereby made obligations of the
9 Commonwealth. All income, interest, and dividends derived from
10 deposits and investments authorized by this code shall be used
11 for the payment of the said obligations of the Commonwealth.

12 § 5952. State supervision.

13 The fund and ledger accounts provided for by this code shall
14 be subject to the supervision of the State Insurance Department.

15 § 5953. Exemption from execution; assignment of rights.

16 (a) The right of a person to any benefit or right accrued or
17 accruing under the provisions of this code and the moneys in the
18 fund are hereby exempt from any State or municipal tax, levy and
19 sale, garnishment, attachment, spouse's election, or any other
20 process whatsoever, and shall be unassignable except:

21 (1) To the Commonwealth in the case of a member who is
22 terminating State service and has been determined to be
23 obligated to the Commonwealth for the repayment of money;

24 (2) To a credit union as security for a loan not to
25 exceed seven hundred fifty dollars (\$750) and interest not to
26 exceed six per cent (6%) per annum discounted and/or fines
27 thereon provided that the credit union is now or hereafter
28 organized and incorporated under the laws of the Commonwealth
29 and the membership of such credit union is limited solely to
30 officials and employees of the Commonwealth.

(b) The board shall be authorized to pay from the fund:

(1) In the case of a member who is terminating service, the amount determined after certification by the head of the department that the member is so obligated, and after review and approval by the department or agency's legal representative and upon receipt of an assignment from the member in the amount so certified;

(2) In the case of a loan the amount of the loan and any fine or interest due thereon to the credit union:

(i) if the member obtaining the loan shall have been in default in required payments for a period of not less than two years; or

(ii) at such time as the Department of Banking shall require the credit union to charge the amount of the loan against the reserve fund of such credit union. Any member who shall have pledged such rights as security for a loan from a credit union and, on whose behalf the board shall have made any payment by reason of that member's default, may not thereafter pledge or assign such rights to a credit union.

§ 5954. Fraud and adjustment of errors.

Any person who shall knowingly make any false statement or shall falsify or permit to be falsified any record or records of this system in any attempt to defraud the system as a result of such act shall be guilty of a misdemeanor of the second degree. Should such change or mistake in records result in any member, beneficiary or survivor annuitant receiving from the system more or less than he would have been entitled to receive had the records been correct, then on the discovery of any such error, the board shall correct such error and so far as practicable

1 shall adjust the payments which may be made for and to such
2 person in such a manner that the actuarial equivalent of the
3 benefit to which he was correctly entitled shall be paid.

4 ~~§ 5955. Collective bargaining on subject matter prohibited.~~ <—

5 ~~Collective bargaining with the Commonwealth concerning any of~~
6 ~~the subject matter of this act is prohibited.~~

7 ~~§ 5956. Construction of code.~~ <—

8 § 5955. CONSTRUCTION OF CODE. <—

9 PENSION RIGHTS OF STATE EMPLOYEES SHALL BE DETERMINED SOLELY <—
10 BY THIS ACT OR ANY AMENDMENT THERETO, AND NO COLLECTIVE
11 BARGAINING AGREEMENT BETWEEN THE COMMONWEALTH AND ITS EMPLOYEES
12 SHALL BE CONSTRUED TO CHANGE ANY OF THE PROVISIONS HEREIN.

13 The provisions of this code insofar as they are the same as
14 those of existing law are intended as a continuation of such
15 laws and not as new enactments. The provisions of this code
16 shall not affect any act done, liability incurred, right accrued
17 or vested, or any suit or prosecution pending or to be
18 instituted to enforce any right or penalty or to punish any
19 offense under the authority of any repealed laws.

20 ~~§ 5957.~~ 5956. Provisions severable. <—

21 The provisions of this code are severable and if any of its
22 provisions shall be held to be unconstitutional, the decision of
23 the court shall not affect or impair any of the remaining
24 provisions. It is hereby declared to be the legislative intent
25 that this code would have been adopted had such unconstitutional
26 provisions not been included.

27 Section 2. Repeals.--(a) The following acts or parts of acts
28 are repealed absolutely.

29 Act of May 24, 1923 (P.L.436, No. 231), entitled "An act
30 relating to the retirement of certain officers and employes of

1 the State Government, and their compensation, including officers
2 and employes heretofore retired."

3 Act of June 27, 1923 (P.L.858, No. 331), entitled "An act
4 establishing a State employes' retirement system, and creating a
5 retirement board for the administration thereof; establishing
6 certain funds from contributions by the Commonwealth and
7 contributing State employes, defining the uses and purposes
8 thereof and the manner of payments therefrom, and providing for
9 the guaranty by the Commonwealth of certain of said funds;
10 imposing powers and duties upon the heads of departments in
11 which State employes serve; excepting annuities, allowances,
12 returns, benefits, and rights from taxation and judicial
13 process; and providing penalties."

14 Act of July 3, 1941 (P.L.244, No. 116), entitled "A
15 supplement to the act, approved the twenty-seventh day of June,
16 one thousand nine hundred twenty-three (Pamphlet Laws, eight
17 hundred fifty-eight), as amended, entitled 'An act establishing
18 a State employes' retirement system, and creating a retirement
19 board for the administration thereof; establishing certain funds
20 from contributions by the Commonwealth and contributing State
21 employes, defining the uses and purposes thereof and the manner
22 of payments therefrom, and providing for the guaranty by the
23 Commonwealth of certain said funds; imposing powers and duties
24 upon the heads of departments in which State employes serve;
25 excepting annuities, allowances, returns, benefits, and rights
26 from taxation and judicial process; and providing penalties.'"

27 Act of May 23, 1945 (P.L.930, No. 370), entitled "An act to
28 amend sections three, four and five, and to repeal sections six,
29 seven, eight, nine and ten, of a supplementary act, approved the
30 third day of July, one thousand nine hundred forty-one (Pamphlet

1 Laws, two hundred forty-four), entitled 'A supplement to the
2 act, approved the twenty-seventh day of June, one thousand nine
3 hundred twenty-three (Pamphlet Laws, eight hundred fifty-eight),
4 as amended, entitled, "An act establishing a State employees'
5 retirement system, and creating a retirement board for the
6 administration thereof; establishing certain funds from
7 contributions by the Commonwealth and contributing State
8 employees, defining the uses and purposes thereof and the manner
9 of payments therefrom, and providing for the guaranty by the
10 Commonwealth of certain of said funds; imposing powers and
11 duties upon the heads of departments in which State employees
12 serve; excepting annuities, allowances, returns, benefits, and
13 rights from taxation and judicial process; and providing
14 penalties,"' by extending the time of State employees to rejoin
15 the State employees' retirement association after completion of
16 active military service; and removing the requirement for a
17 physical examination in certain cases."

18 Act of May 31, 1947 (P.L.377, No. 172), entitled "A
19 supplement to the act, approved the twenty-seventh day of June,
20 one thousand nine hundred twenty-three (Pamphlet Laws 858),
21 entitled 'An act establishing a State employees' retirement
22 system, and creating a retirement board for the administration
23 thereof; establishing certain funds from contributions by the
24 Commonwealth and contributing State employees, defining the uses
25 and purposes thereof and the manner of payments therefrom, and
26 providing for the guaranty by the Commonwealth of certain of
27 said funds; imposing powers and duties upon the heads of
28 departments in which State employees serve; excepting annuities,
29 allowances, returns, benefits, and rights from taxation and
30 judicial process; and providing penalties,' permitting certain

1 State employes, who during the war were loaned to the United
2 States Government and who have now returned to State employment,
3 to pay into the retirement fund the amount of the contributions
4 they would have made during such period, with interest, and
5 prescribing how the Commonwealth shall build up the necessary
6 State annuity reserves."

7 Act of August 16, 1951 (P.L.1240, No. 286), entitled "A
8 supplement to the act, approved the twenty-seventh day of June,
9 one thousand nine hundred twenty-three (Pamphlet Laws 858),
10 entitled 'An act establishing a State employes' retirement
11 system, and creating a retirement board for the administration
12 thereof; establishing certain funds from contributions by the
13 Commonwealth and contributing State employes, defining the uses
14 and purposes thereof and the manner of payments therefrom, and
15 providing for the guaranty by the Commonwealth of certain of
16 said funds; imposing powers and duties upon the heads of
17 departments in which State employes serve; excepting annuities,
18 allowances, returns, benefits, and rights from taxation and
19 judicial process; and providing penalties,' by permitting
20 certain members to obtain credit for military service who were
21 not eligible members at time of entry into military service."

22 Act of August 19, 1953 (P.L.1098, No. 295), entitled "A
23 supplement to the act, approved the twenty-seventh day of June,
24 one thousand nine hundred twenty-three (Pamphlet Laws 858),
25 entitled 'An act establishing a State employes' retirement
26 system, and creating a retirement board for the administration
27 thereof; establishing certain funds from contributions by the
28 Commonwealth and contributing State employes, defining the uses
29 and purposes thereof and the manner of payments therefrom, and
30 providing for the guaranty by the Commonwealth of certain of

1 said funds; imposing powers and duties upon the heads of
2 departments in which State employes serve; excepting annuities,
3 allowances, returns, benefits, and rights from taxation and
4 judicial process; and providing penalties,' by permitting any
5 State employe, as a contributor under the provisions of the
6 State employes' retirement system, and who was an employe under
7 the public school system of the Commonwealth and made
8 contributions to the Public School Employes' Retirement Fund on
9 account of such public school service, to obtain credit for such
10 service in State employes' retirement system under certain
11 conditions."

12 Act of May 17, 1956 (P.L.1625, No. 540), entitled "A
13 supplement to the act, approved the twenty-seventh day of June,
14 one thousand nine hundred twenty-three (Pamphlet Laws 858),
15 entitled 'An act establishing a State employes' retirement
16 system, and creating a retirement board for the administration
17 thereof; establishing certain funds from contributions by the
18 Commonwealth and contributing State employes, defining the uses
19 and purposes thereof and the manner of payments therefrom and
20 providing for the guaranty by the Commonwealth of certain of
21 said funds; imposing powers and duties upon the heads of
22 departments in which State employes serve; excepting annuities,
23 allowances, returns, benefits, and rights from taxation and
24 judicial process; and providing penalties,' by permitting former
25 contributors who have become public school employes and members
26 of the Public School Employes' Retirement System to restore
27 membership in the State Employes' Retirement Association, and
28 authorizing the transfer of monetary credits in the State
29 Employes' Retirement Association to the Public School Employes'
30 Retirement Association under certain conditions."

1 Act of May 17, 1956 (P.L.1626, No. 542), entitled "An act
2 amending the act of May thirty-one, one thousand nine hundred
3 forty-seven (Pamphlet Laws 377), entitled 'A supplement to the
4 act, approved the twenty-seventh day of June one thousand nine
5 hundred twenty-three (Pamphlet Laws 858), entitled "An act
6 establishing a State employees' retirement system, and creating a
7 retirement board for the administration thereof; establishing
8 certain funds from contributions by the Commonwealth and
9 contributing State employees, defining the uses and purposes
10 thereof and the manner of payments therefrom, and providing for
11 the guaranty by the Commonwealth of certain of said funds;
12 imposing powers and duties upon the heads of departments in
13 which State employees serve; excepting annuities, allowances,
14 returns, benefits, and rights from taxation and judicial
15 process; and providing penalties," permitting certain State
16 employees, who during the war were loaned to the United States
17 Government and who have now returned to State employment, to pay
18 into the retirement fund the amount of the contributions they
19 would have made during such period, with interest, and
20 prescribing how the Commonwealth shall build up the necessary
21 State annuity reserves,' providing for credit for time spent by
22 employees of the Bureau of Unemployment Security in the
23 Department of Labor and Industry as employees of the United
24 States Government."

25 Act of June 1, 1956 (P.L.2016, No. 674), entitled "A
26 supplement to the act approved the twenty-seventh day of June,
27 one thousand nine hundred twenty-three (Pamphlet Laws 858),
28 entitled 'An act establishing a State employees' retirement
29 system, and creating a retirement board for the administration
30 thereof; establishing certain funds from contributions by the

1 Commonwealth and contributing State employes, defining the uses
2 and purposes thereof and the manner of payments therefrom, and
3 providing for the guaranty by the Commonwealth of certain of
4 said funds; imposing powers and duties upon the heads of
5 departments in which State employes serve; excepting annuities,
6 allowances, returns, benefits, and rights from taxation and
7 judicial process; and providing penalties,' by permitting any
8 State employe as a contributor under the provisions of the State
9 employes' retirement system and who was an employe under the
10 public school system of the Commonwealth and made contributions
11 to the Public School Employes' Retirement Fund on account of
12 such public school service to obtain credit for such service in
13 the State employes' retirement system under certain conditions."

14 Act of June 14, 1957 (P.L.320, No. 168), entitled "A
15 supplement to the act of June 27, 1923 (P.L.858), entitled 'An
16 act establishing a State employes' retirement system, and
17 creating a retirement board for the administration thereof;
18 establishing certain funds from contributions by the
19 Commonwealth and contributing State employes, defining the uses
20 and purposes thereof and the manner of payments therefrom, and
21 providing for the guaranty by the Commonwealth of certain of
22 said funds; imposing powers and duties upon the heads of
23 departments in which State employes serve; excepting annuities,
24 allowances, returns, benefits, and rights from taxation and
25 judicial process; and providing penalties,' authorizing the
26 Public School Employes' Retirement Board to realow credit for
27 service of certain State and Pennsylvania State University
28 employes."

29 Act of June 29, 1937 (P.L.2423, No. 453), entitled, as
30 amended, "An act establishing a Pennsylvania State Police

1 Retirement System; providing for payments upon retirement,
2 death, disability, involuntary retirement, and of certain
3 medical expenses from the State Employees' Retirement Fund, under
4 the Administration of the State Employees' Retirement Board;
5 providing for contributions by members of the Pennsylvania State
6 Police and the Commonwealth; providing for the guarantee by the
7 Commonwealth of certain of said funds; providing for the
8 subrogation of the Commonwealth to the rights of the member or
9 dependents against certain third parties; exempting annuities,
10 allowances, returns, benefits, and rights from taxation and
11 judicial ~~process~~ PROCESSES; and providing penalties." <—

12 Act of July 3, 1941 (P.L.249, No. 117), entitled, as amended,
13 "A supplement to the act, approved the twenty-ninth day of June
14 one thousand nine hundred thirty-seven (Pamphlet Laws, two
15 thousand four hundred twenty-three), as amended, entitled 'An
16 act establishing a Pennsylvania State Police Retirement System;
17 providing for payments upon retirement, death, disability,
18 involuntary retirement, and of certain medical expenses from the
19 State Employees' Retirement Fund, under the Administration of the
20 State Employees' Retirement Board; providing for contributions by
21 members of the Pennsylvania State Police and the Commonwealth;
22 providing for the guarantee by the Commonwealth of certain of
23 said funds; providing for the subrogation of the Commonwealth to
24 the rights of the member or dependents against certain third
25 parties; exempting annuities, allowances, returns, benefits, and
26 rights from taxation and judicial ~~process~~ PROCESSES; and <—
27 providing penalties.'"

28 Act of May 22, 1945 (P.L.834, No. 336), entitled "An act to
29 amend section three, and to further amend sections four and five
30 of a supplementary act, approved the third day of July, one

1 thousand nine hundred forty-one (Pamphlet Laws, two hundred
2 forty-nine), entitled, as amended 'A supplement to the act,
3 approved the twenty-ninth day of June, one thousand nine hundred
4 thirty seven (Pamphlet Laws, two thousand four hundred twenty-
5 three), as amended, entitled "An act establishing a Pennsylvania
6 State Police Retirement System; providing for payments upon
7 retirement, death, disability, involuntary retirement, and of
8 certain medical expenses from the State Employees' Retirement
9 Fund, under the Administration of the State Employees' Retirement
10 Board; providing for contributions by members of the
11 Pennsylvania State Police and the Commonwealth; providing for
12 the guarantee by the Commonwealth of certain of said funds;
13 providing for the subrogation of the Commonwealth to the rights
14 of the member or dependents against certain third parties;
15 exempting annuities, allowances, returns, benefits, and rights
16 from taxation and judicial processes; and providing penalties,"'
17 by extending the time for State employees to rejoin the State
18 Employees' Retirement Association after completion of active
19 military service; and removing the requirement for a physical
20 examination in certain cases."

21 Act of June 1, 1959 (P.L.392, No. 78), known as the "State
22 Employees' Retirement Code of 1959."

23 As much of section 202 of the act of April 9, 1929 (P.L.177,
24 No. 175), known as "The Administrative Code of 1929," as relates
25 to the State Employees' Retirement Board in the Department of
26 State.

27 Section 402 of the act of April 9, 1929 (P.L.177, No. 175),
28 known as "The Administrative Code of 1929."

29 Section 808 of the act of April 9, 1929 (P.L.177, No. 175),
30 known as "The Administrative Code of 1929."

1 (b) All other acts or parts of acts inconsistent with this
2 act are hereby repealed to the extent of such inconsistency.

3 (c) In the case of any member terminating service on or
4 after the effective date of this act any limitations on salaries
5 as determined for retirement purposes pursuant to the act of
6 June 16, 1971 (P.L.157, No.8), are repealed retroactive to
7 January 1, 1973.

8 (d) The following acts are repealed in so far as
9 inconsistent with the provisions of § 5955 (relating to
10 prohibition of collective bargaining on subject matter):

11 Act of June 24, 1968 (P.L.237, No.111), entitled "An act
12 specifically authorizing collective bargaining between policemen
13 and firemen and their public employers; providing for
14 arbitration in order to settle disputes, and requiring
15 compliance with collective bargaining agreements and findings of
16 arbitrators."

17 Act of July 23, 1970 (P.L.563, No.195), known as the "Public
18 Employe Relations Act."

19 Section 3. Savings Clause.--In order to assure an orderly
20 transition, the following provisions of repealed law shall be
21 saved and applicable as specified:

22 (1) The rights provided in section 401(4) of the act of
23 June 1, 1959 ~~(No. 78)~~ (P.L.392, NO.78), relating to <—
24 additional retirement benefits for certain judges, shall
25 continue to apply to those members of Class E or E-1 who have
26 exercised the option therein contained prior to the effective
27 date of this act.

28 (2) The provisions of section 301 of the act of June 1,
29 1959 ~~(No. 78)~~ (P.L.392, NO.78), relating to the contribution <—
30 rate of a member shall be applicable until the first day of

1 his first full pay period following the effective date of
2 this act.

3 ~~(3) Any member may elect to have his retirement benefits~~ <—
4 ~~attributable to service prior to January 1, 1973 calculated~~
5 ~~on the basis of any limitations on salaries as determined for~~
6 ~~retirement purposes pursuant to the act of June 16, 1971~~
7 ~~(P.L.157, No.8) and the benefit rates which are applicable to~~
8 ~~the appropriate class of service prior to January 1, 1973.~~
9 ~~All benefits attributable to service subsequent to January 1,~~
10 ~~1973 shall be calculated on the compensation and benefit~~
11 ~~rates effective subsequent to January 1, 1973.~~

12 (3) IN THE EVENT THE CLASS OF SERVICE MULTIPLIER OF A <—
13 GIVEN CLASS IS REDUCED ANY MEMBER OF THAT CLASS MAY ELECT TO
14 HAVE HIS RETIREMENT BENEFITS ATTRIBUTABLE TO SERVICE PRIOR TO
15 THE DATE THE CLASS OF SERVICE MULTIPLIER IS REDUCED
16 CALCULATED ON THE BASIS OF HIS FINAL AVERAGE SALARY AS OF
17 THAT DATE TOGETHER WITH ANY LIMITATIONS ON SALARIES IN EFFECT
18 ON THAT DATE AND THE CLASS OF SERVICE MULTIPLIER WHICH IS
19 APPLICABLE TO HIS CLASS OF SERVICE PRIOR TO SUCH DATE. ALL
20 BENEFITS OF THE MEMBER ATTRIBUTABLE TO SERVICE SUBSEQUENT TO
21 SUCH DATE SHALL BE CALCULATED ON THE BASIS OF HIS
22 COMPENSATION AND CLASS OF SERVICE MULTIPLIER EFFECTIVE
23 SUBSEQUENT TO SUCH DATE.

24 Section 4. Effective Date.--This act shall take effect
25 immediately, except that:

26 (1) Its provisions relating to the crediting of
27 statutory interest to the accounts of members on leave
28 without pay shall become effective on ~~January~~ JULY 1, 1974. <—

29 (2) The provisions of section 5706(b), relating to the
30 calculation of annuities of annuitants who return to State

1 service and subsequently retire, shall not apply to former
2 annuitants who are active members of the system on the
3 effective date of this act.

4 (3) As applicable to officers of the Pennsylvania State
5 Police the provisions of section 5102 relating to "final
6 average salary" and section 5704(f) relating to service
7 connected disability shall be effective July 1, 1973.

8 ~~(4) The provisions of section 5306(a) notwithstanding,~~ <—
9 ~~officials elected to office on November 6, 1973 may, prior to~~
10 ~~February 1, 1974, elect to join the class of service to which~~
11 ~~they would have been entitled had they assumed office prior~~
12 ~~to the effective date of this act.~~

SOURCE NOTES

(As Supplied by the Joint State Government Commission)

Part XXV of Title 71 is derived, unless new, in its entirety from the act of June 1, 1959 (P.L.392) which is the source of all references. Corresponding references in Purdon's Pennsylvania Statutes Annotated are in 71 Pa. S. § 1725-101 et seq.

71 Pa. S. § 5101: Derived from § 101.

71 Pa. S. § 5102: "Active member." New.

"Actuarially equivalent." Derived from § 102(23).

"Actuary." New.

"Annuitant." Derived from § 102(9).

"Average noncovered salary." Derived from § 102(19.1).

"Basic contribution rate." New.

"Beneficiary." Derived from § 102(10).

"Board." Derived from § 102(4).

"Class of service multiplier." Derived from §§ 202(1); (301(1)(a),(c),(d.3),(e.1),(e.2).

"Compensation." Derived from § 102(15) and the report of the Commonwealth Compensation Commission of June 22, 1972.

"Concurrent service." New.

"CORRECTION OFFICER." NEW.

"Creditable nonstate service." New.

"Credited service." Derived from § 102(13).

"Date of termination of service." New.

"Effective date of retirement." New.

"Eligibility points." New.

"Enforcement officer." Derived from § 102(6.1).

"Final average salary." Derived from § 102(19).

"Full coverage member." Derived from § 203(3).

"Fund." Derived from § 102(2)

"Head of department." Derived from § 102(7).

"Inactive member." New.

"Intervening military service." New.

"Joint coverage member." Derived from § 203(1).

"Joint coverage member contributions." New.

"Member." New.

"Member of the judiciary." New.

"Member's annuity." Derived from § 102(21).

"Military service." Derived from § 207(3).

"Multiple service." Derived from § 102(12.1).

"Previous State service." New.

"PSYCHIATRIC SECURITY AIDE." NEW.

"Public School Employees' Retirement System." Derived from § 102(5).

"Regular accumulated deductions." Derived from § 102(17).

"Regular member contributions." New.

"Retirement counselor." New.

"Salary deductions." Derived from § 102(16).

"School service." New.

"Social security integration accumulated deductions." Derived from § 102(17.1).

"Standard single life annuity." New.

"State employee." Derived from § 102(6)(a)(iii),(iv),(v),(vii),(viii),(ix).

1 71 Pa. S. § 5501: Derived from §
2 301(1)(a),(c),(d.3),(e.1),(e.2).

3 71 Pa. S. § 5502: Derived from § 301(6).

4 71 Pa. S. § 5503: Derived from § 301(4).

5 71 Pa. S. § 5504: Derived from §§ 208(1),(2),(4);
6 302(1),(2),(3).

7 71 Pa. S. § 5505: (a) Derived from §§ 301(3); 302(1),(2).
8 (b) Derived from § 302(2)(k).
9 (c) Derived from §§ 301(3), 302(2)(j).
10 (d) Derived from § 302(2)(h.1).
11 (e) Derived from § 506(4.5).

12 71 Pa. S. § 5506: Derived from §§ 204(6.2); 208(3),(5);
13 302(1).

14 71 Pa. S. § 5507: (a) Derived from § 304(1)(a),(2).
15 (b) Derived from § 304(1)(b),(3).

16 71 Pa. S. § 5508: (a), (b), (c) Derived from § 304(1)(a).
17 (d) Derived from § 304(2).
18 (e) Derived from § 304(1)(b),(3).

19 71 Pa. S. § 5509: (a), (b) Derived from § 306(1).
20 (c) Derived from § 306(2).

21 71 Pa. S. § 5701: Derived from §§ 402(1)(a); 404(1)(b).

22 71 Pa. S. § 5702: (a) Derived from § 401(1).
23 (1) through (5). Derived from §§
24 401(1)(a),(b),(c),(d),(d.1),(d.2),(d.3),(e),(e.1),(e.2),(1.1),(6);
25 402(2),(2.1),(4),(5).
26 (6) Derived from §§ 401(8); 402(6).
27 (b) Derived from § 401(2.1).
28 (c) Derived from § 401(1)(d.3).

29 71 Pa. S. § 5703: (a) Derived from §§ 401(3); 402(4);
30 403(1)(a),(e).
31 (1) Derived from § 403(1)(a).
32 (2) Derived from § 403(1)(b),(c),(d),(f),(g).
33 (3) Derived from § 403(1)(i).
34 (b) Derived from § 403(2).

35 71 Pa. S. § 5704: (a) Derived from § 405(1)(a),(b).
36 (b) Derived from § 405(6).
37 (c) Derived from § 405(4).
38 (d) Derived from § 405(4).
39 (e) New.

40 71 Pa. S. § 5705: (a) Derived from §§ 401(5),(7);
41 404(1)(a),(b),(c).
42 (1) Derived from § 404(1)(c), Option 1.
43 (2) Derived from § 404(1)(c), Option 2.
44 (3) Derived from § 404(1)(c), Option 3.
45 (4) Derived from § 404(1)(c), Option 4.
46 (b) Derived from § 404(2).

1 71 Pa. S. § 5706: (a) Derived from § 405.1(1).
2 (b) Derived from § 405.1(2).

3 71 Pa. S. § 5707: (a) Derived from § 407(2),(3),(7).
4 (b) Derived from § 407(4).
5 (c) Derived from § 407(5).
6 (d) Derived from § 407(5).
7 (e) Derived from § 407(4.1).

8 71 Pa. S. § 5708: Derived from § 409(4),(5).

9 71 Pa. S. § 5709: (a) Derived from § 410.
10 (b) Derived from § 404(1)(c), Option 1.
11 (c) New.

12 71 Pa. S. § 5710: Derived from § 412.

13 71 Pa. S. § 5901: (a) Derived from § 501(1).
14 (b) Derived from § 501(1).
15 (c) Derived from § 501(2).
16 (d) New.
17 (e) Derived from § 501(6).

18 71 Pa. S. § 5902: (a) Derived from § 501(5).
19 (b) Derived from § 501(4).
20 (c) Derived from § 501(3).
21 (d) New.
22 (e) Derived from § 503(10).
23 (f) Derived from § 503(11).
24 (g) New.
25 (h) Derived from § 503(1).
26 (i) Derived from § 503(2).
27 (j) Derived from § 503(3)(a),(b).
28 (k) Derived from §§ 306(1); 503(3)(c),(4).
29 (l) Derived from § 505.
30 (m) Derived from § 503(5).

31 71 Pa. S. § 5903: (a) New.
32 (b) Derived from § 503(9).
33 (c) Derived from §
34 503(6.1),(6.2),(6.3),(9.2),(9.7),(9.9).
35 (d) Derived from § 503(9.2),(9.9).

36 71 Pa. S. § 5904: (a) New.
37 (b) Derived from § 503(9.1).
38 (c) Derived from § 503(8.2),(8.3).

39 71 Pa. S. § 5905: (a) Derived from § 503(6),
40 (6.1),(6.2),(6.3),(9.7),(9.9).
41 (b) Derived from § 503(8.1).
42 (c) Derived from § 503(7),(8).
43 (d) New.
44 (e) New.
45 (f) New.
46 (g) New.
47 (h) Derived from § 503(9.4).
48 (i) Derived from § 503(9.6).

49 71 Pa. S. § 5906: (a) Derived from § 504(3).

1 (b) Derived from § 504(4).
2 (c) Derived from §§ 301(1); 504(5).
3 (d) Derived from § 504(1).
4 (e) Derived from § 504(2).
5 (f) New.
6 (g) Derived from § 504(7).
7 (h) New.
8 (i) Derived from § 504(6).
9 (j) Derived from § 504(8),(9).
10 (k) New.

11 71 Pa. S. § 5907: (a) Derived from § 506(5).
12 (b) Derived from §§ 201(3); 506(13).
13 ~~(c) Derived from § 506(14).~~ <—
14 ~~(d)~~ (C) Derived from § 506(5). <—
15 ~~(e)~~ (D) Derived from § <—
16 506(4.1),(4.2),(4.4),(4.5),(10),(10.1),(12).
17 ~~(f)~~ (E) Derived from § 411. <—
18 ~~(g)~~ (F) Derived from § 506(1),(1.1),(11),(12). <—
19 ~~(h)~~ (G) Derived from § 506(1). <—
20 ~~(i)~~ (H) Derived from § 506(1). <—
21 ~~(j)~~ (I) Derived from § 506(1). <—
22 ~~(k)~~ (J) Derived from § 411. <—
23 ~~(l)~~ (K) Derived from § 506(2). <—

24 71 Pa. S. § 5908: (a) Derived from §§ 302(4); 506(4.3).
25 (b) Derived from § 506(3).
26 (c) Derived from §§ 506(4); 507

27 71 Pa. S. § 5931: (a) Derived from § 502(1).
28 (b) Derived from § 502(2).
29 (c) Derived from § 502(3).
30 (d) Derived from § 502(4).
31 (e) Derived from § 502(6).
32 (f) Derived from § 502(7).
33 (g) Derived from § 502(5).
34 (h) Derived from § 502(8).
35 (i) Derived from § 502(8).
36 (j) Derived from § 502(8).

37 71 Pa. S. § 5932: Derived from § 602.

38 71 Pa. S. § 5933: Derived from §§ 607; 611.

39 71 Pa. S. § 5934: Derived from § 603.

40 71 Pa. S. § 5935: Derived from §§ 604; 608.

41 71 Pa. S. § 5936: Derived from §§ 606; 609.

42 71 Pa. S. § 5937: Derived from §§ 606.1; 608.

43 71 Pa. S. § 5938: Derived from § 610.

44 71 Pa. S. § 5939: New.

45 71 Pa. S. § 5951: Derived from § 801.

46 71 Pa. S. § 5952: Derived from § 802.

- 1 71 Pa. S. § 5953: Derived from § 803.
- 2 71 Pa. S. § 5954: Derived from § 805.
- 3 71 Pa. S. § 5955: Derived from § 806.
- 4 71 Pa. S. § 5956: Derived from § 807.