

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 819

Session of
1981INTRODUCED BY FISCHER, GALLAGHER, BURNS AND J. L. WRIGHT,
MARCH 10, 1981AS REPORTED FROM COMMITTEE ON EDUCATION, HOUSE OF
REPRESENTATIVES, AS AMENDED, APRIL 13, 1982

AN ACT

1 Amending Title 24 (Education) of the Pennsylvania Consolidated
2 Statutes, providing an additional limitation on creditable
3 nonschool service.

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

6 Section 1. Section 8304~~(b)~~(A) of Title 24, act of November <—
7 25, 1970 (P.L.707, No.230), known as the Pennsylvania
8 Consolidated Statutes, is amended AND SUBSECTION (B) IS AMENDED <—
9 by adding a paragraph to read:

10 § 8304. Creditable nonschool service.

11 * * *

12 (A) ELIGIBILITY.--AN ACTIVE MEMBER OR A MULTIPLE SERVICE <—
13 MEMBER WHO IS AN ACTIVE MEMBER OF THE STATE EMPLOYEES'
14 RETIREMENT SYSTEM SHALL BE ELIGIBLE TO RECEIVE CLASS T-C SERVICE
15 CREDIT FOR CREDITABLE NONSCHOOL SERVICE AS SET FORTH IN
16 SUBSECTION (B) PROVIDED THAT HE IS NOT ENTITLED TO RECEIVE,
17 ELIGIBLE TO RECEIVE NOW OR IN THE FUTURE, OR IS RECEIVING

1 RETIREMENT BENEFITS FOR SUCH SERVICE UNDER A RETIREMENT SYSTEM
2 ADMINISTERED AND WHOLLY OR PARTIALLY PAID FOR BY ANY OTHER
3 GOVERNMENTAL AGENCY OR BY ANY PRIVATE EMPLOYER, OR A RETIREMENT
4 PROGRAM APPROVED BY THE EMPLOYER IN ACCORDANCE WITH SECTION
5 8301(A)(1) (RELATING TO MANDATORY AND OPTIONAL MEMBERSHIP), AND
6 FURTHER PROVIDED THAT SUCH SERVICE IS CERTIFIED BY THE PREVIOUS
7 EMPLOYER AND THE MANNER OF PAYMENT OF THE AMOUNT DUE IS AGREED
8 UPON BY THE MEMBER, THE EMPLOYER, AND THE BOARD. HOWEVER, AN
9 ACTIVE MEMBER WHO IS NOT ACTUALLY RECEIVING BENEFITS FROM A
10 RETIREMENT SYSTEM OF ANOTHER STATE MAY DIVEST HIMSELF OF HIS
11 ENTITLEMENT OR ELIGIBILITY FOR FUTURE BENEFITS IN THAT SYSTEM IN
12 ORDER TO RECEIVE CREDITABLE NONSCHOOL SERVICE CREDIT UNDER
13 SUBSECTION (B)(3). SUCH DIVESTITURE SHALL BE CERTIFIED TO THE
14 BOARD BY THE OUT-OF-STATE SYSTEM BEFORE THE MEMBER APPLIES FOR
15 THE CREDITABLE NONSCHOOL SERVICE CREDIT.

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

18 * * *

19 (6) Previous work experience as required for permanent
20 certification as a vocational teacher: Provided, That for
21 every three years or major fraction thereof an individual can
22 buy one year of creditable service, not to exceed a total of
23 five years. PREVIOUS WORK EXPERIENCE SHALL NOT INCLUDE TIME <—
24 SERVED IN AN APPRENTICESHIP. THE PURCHASE OF THIS SERVICE
25 SHALL BEGIN WITHIN THREE YEARS OF THE EMPLOYEE'S ELIGIBILITY
26 TO PURCHASE THIS CREDITABLE SERVICE.

27 * * *

28 SECTION 2. SECTION 8324 OF TITLE 24 IS AMENDED BY ADDING A <—
29 SUBSECTION TO READ:

30 § 8324. CONTRIBUTIONS FOR PURCHASE OF CREDIT FOR CREDITABLE

1 NONSCHOOL SERVICE.

2 * * *

3 (E) CREDITABLE WORK EXPERIENCE.--FOR THE CALCULATION OF THE
4 EMPLOYER'S SHARE OF THE CONTRIBUTION FOR SERVICE LISTED IN
5 SECTION 8304(B)(6) (RELATING TO CREDITABLE NONSCHOOL SERVICE)
6 THE RATE SHALL BE EQUAL TO THE FULL COST OF THE SERVICE CREDITS
7 CALCULATED ON THE BASIS OF THE ASSUMPTIONS USED FOR PURPOSES OF
8 THE ACTUARIAL VALUATION OF THE SYSTEM'S LIABILITIES. IT SHALL
9 TAKE INTO ACCOUNT THE ADDITIONAL RETIREMENT ALLOWANCE ARISING ON
10 ACCOUNT OF SUCH ADDITIONAL SERVICE CREDIT COMMENCING AT THE
11 EARLIEST AGE AT WHICH SUCH MEMBER COULD RETIRE ON AN UNREDUCED
12 RETIREMENT ALLOWANCE AS DETERMINED BY THE BOARD OF TRUSTEES UPON
13 THE ADVICE OF THE CONSULTING ACTUARY. ANY INDIVIDUAL ELIGIBLE TO
14 RECEIVE AN ANNUITY, EXCLUDING AN ANNUITY RECEIVED UNDER THE
15 FEDERAL SOCIAL SECURITY ACT OF 1936, AS AMENDED (42 U.S.C. §
16 301, ET. SEQ.), IN ANOTHER PENSION SYSTEM, OTHER THAN A MILITARY
17 PENSION SYSTEM, SHALL NOT BE ELIGIBLE TO PURCHASE THIS SERVICE.

18 Section 2 3. This act shall take effect in 60 days.

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