

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 498

Session of
1987

INTRODUCED BY ITKIN, JOHNSON, TRELLO, PRESTON, PISTELLA, COHEN,
DALEY, BUNT, KENNEY AND WIGGINS, FEBRUARY 25, 1987

AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF
REPRESENTATIVES, AS AMENDED, JUNE 22, 1987

AN ACT

1 Amending Title 71 (State Government) of the Pennsylvania
2 Consolidated Statutes, to include certain Federal service as
3 nonstate service.

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

6 Section 1. Section 5304(c) of Title 71 of the Pennsylvania
7 Consolidated Statutes is amended to read:

8 § 5304. Creditable nonstate service.

9 * * *

10 (c) Limitations on nonstate service.--Creditable nonstate
11 service credit shall be limited to:

12 (1) intervening military service;

13 (2) other military service not exceeding five years;

14 (3) service in any public school or public educational
15 institution in any state other than this Commonwealth or in
16 any territory or area under the jurisdiction of the United
17 States; or service as an administrator, teacher, or

1 instructor in the field of education for any agency or
2 department of the government of the United States, whether or
3 not such area was under the jurisdiction of the United
4 States, the total of such service not exceeding the lesser of
5 ten years or the number of years of active membership in the
6 system, as an officer or employee of the Department of
7 Education or as an administrator, teacher, or instructor
8 employed in any State-owned educational institution or The
9 Pennsylvania State University; [or]

10 (4) previous service with a governmental agency other
11 than the Commonwealth which employment with said agency was
12 terminated because of the transfer by statute of the
13 administration of such service or of the entire agency to the
14 Commonwealth[.]; or

15 (5) service as a temporary Federal employee assigned to
16 an air quality control complement for the Pennsylvania
17 Department of Environmental Resources at any time during the
18 period of 1970 through 1975. This service time may be
19 purchased only if the member makes an election to purchase
20 within one year of the effective date of this paragraph and
21 the member shall pay an amount which is equal to the full
22 actuarial cost of the increased benefit obtained by virtue of
23 the purchase AS PROVIDED IN SECTION 5505(F). <—

24 * * *

25 SECTION 2. SECTION 5505 OF TITLE 71 IS AMENDED BY ADDING A <—
26 SUBSECTION TO READ:

27 § 5505. CONTRIBUTIONS FOR THE PURCHASE OF CREDIT FOR CREDITABLE
28 NONSTATE SERVICE.

29 * * *

30 (F) TEMPORARY FEDERAL SERVICE.--CONTRIBUTIONS ON ACCOUNT OF

CREDIT FOR SERVICE AS A TEMPORARY FEDERAL EMPLOYEE ASSIGNED TO
AN AIR QUALITY CONTROL COMPLEMENT FOR THE DEPARTMENT OF
ENVIRONMENTAL RESOURCES DURING THE PERIOD OF 1970 THROUGH 1975,
AS AUTHORIZED IN SECTION 5304(C)(5) (RELATING TO CREDITABLE
NONSTATE SERVICE), SHALL BE EQUAL TO THE FULL ACTUARIAL COST OF
THE INCREASED BENEFIT OBTAINED BY VIRTUE OF THE PURCHASE. THE
INCREASED BENEFIT ATTRIBUTABLE TO THE PURCHASED SERVICE SHALL BE
THE DIFFERENCE BETWEEN:

(1) THE ANNUAL AMOUNT OF A STANDARD SINGLE LIFE ANNUITY,
BEGINNING AT THE EARLIEST POSSIBLE SUPERANNUATION AGE,
CALCULATED ASSUMING NO FUTURE SALARY INCREASES, ASSUMING
CREDIT FOR THE SERVICE TO BE PURCHASED; AND

(2) THE ANNUAL AMOUNT OF A STANDARD SINGLE LIFE ANNUITY,
CALCULATED ON THE SAME BASIS, BUT EXCLUDING CREDIT FOR THE
SERVICE TO BE PURCHASED.

THE EARLIEST POSSIBLE SUPERANNUATION AGE SHALL BE THE AGE AT
WHICH THE MEMBER BECOMES FIRST ELIGIBLE FOR SUPERANNUATION
RETIREMENT ASSUMING CONTINUED FULL-TIME SERVICE AND CREDIT FOR
THE AMOUNT OF SERVICE WHICH THE MEMBER HAS ELECTED TO PURCHASE,
OR THE CURRENT ATTAINED AGE OF THE MEMBER, WHICHEVER IS LATER.
THE FULL ACTUARIAL COST OF THE INCREASED BENEFIT ATTRIBUTABLE TO
THE PURCHASED SERVICE SHALL BE THE ACTUARIAL PRESENT VALUE OF A
DEFERRED ANNUITY EQUAL TO THE AMOUNT OF THE INCREASED BENEFIT
DETERMINED ABOVE, BEGINNING AT THE EARLIEST POSSIBLE
SUPERANNUATION AGE AND PAYABLE FOR LIFE, CALCULATED USING A
PRERETIREMENT INTEREST ASSUMPTION OF 1 1/2%, A POSTRETIREMENT
INTEREST ASSUMPTION OF 4%, NO PRERETIREMENT MORTALITY ASSUMPTION
AND STANDARD POSTRETIREMENT MORTALITY ASSUMPTIONS. THE PURCHASE
PAYMENT SHALL BE MADE IN LUMP SUM BY THE MEMBER WITHIN 30 DAYS
OF CERTIFICATION BY THE BOARD OF THE REQUIRED PURCHASE AMOUNT OR

1 MAY BE AMORTIZED THROUGH SALARY DEDUCTIONS IN AMOUNTS AGREED
2 UPON BY THE MEMBER AND THE BOARD WITH INTEREST PAYABLE ON THE
3 UNPAID BALANCE AT THE RATE APPLICABLE TO THE MOST RECENTLY
4 ISSUED 30-YEAR BONDS OF THE UNITED STATES TREASURY DEPARTMENT.

5 Section ~~2~~ 3. This act shall take effect immediately.

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