

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 309 Session of 1999

INTRODUCED BY CONTI, TOMLINSON, MOWERY, STAPLETON AND RHOADES, FEBRUARY 3, 1999

SENATOR TILGHMAN, APPROPRIATIONS, RE-REPORTED AS AMENDED, JUNE 7, 1999

AN ACT

1 Amending Title 24 (Education) of the Pennsylvania Consolidated
2 Statutes, further providing for creditable nonschool service, <—
3 FOR ELIGIBILITY FOR LIMITED EARLY RETIREMENT, FOR
4 CONTRIBUTIONS FOR PURCHASE OF CREDIT FOR CREDITABLE NONSCHOOL
5 SERVICE and for EXCEPTIONS TO termination of annuities. <—

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Section 8304(b)(8) of Title 24 of the
9 Pennsylvania Consolidated Statutes is amended AND THE SUBSECTION <—
10 IS AMENDED BY ADDING A PARAGRAPH to read:

11 § 8304. Creditable nonschool service.

12 * * *

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

15 * * *

16 (8) Service in the Cadet Nurse Corps with respect to any
17 period of training as a student or graduate nurse under a
18 plan approved under section 2 of the act of June 15, 1943

1 (Public Law 78-73, 57 Stat. 153), if the total period of
2 training under the plan was at least [two years] one year,
3 the credit for such service not to exceed three years.
4 Notwithstanding the requirements of subsection (a), the
5 purchase of this credit shall be available ~~only~~ to annuitants <—
6 who left school service after January 1, 1984, but before
7 September 1, 1998. THE PURCHASED NONSCHOOL CREDIT UNDER THIS <—
8 PARAGRAPH SHALL NOT BE INCLUDED IN THE CALCULATION OR PAYMENT
9 OF BENEFITS FOR ANY PERIOD OF TIME PRIOR TO THE DATE OF
10 PURCHASE.

11 (9) SERVICE AS A PEACE CORPS VOLUNTEER PERFORMED
12 PURSUANT TO THE PEACE CORPS ACT (PUBLIC LAW 87-294, 75 STAT.
13 612), PROVIDED THAT A MEMBER MAY NOT PURCHASE MORE THAN TWO
14 YEARS OF SUCH SERVICE AND THAT THE MEMBER MAKES THE ELECTION
15 TO PURCHASE CREDIT FOR THIS NONSCHOOL SERVICE WITHIN THREE
16 YEARS OF THE EFFECTIVE DATE OF THIS PARAGRAPH OR WITHIN THREE
17 YEARS OF ENTRY INTO SCHOOL SERVICE SUBSEQUENT TO SUCH
18 CREDITABLE NONSCHOOL SERVICE, WHICHEVER OCCURS LATER.

19 * * *

20 SECTION 2. SECTIONS 8313 AND 8324(E) OF TITLE 24 ARE AMENDED <—
21 TO READ:

22 § 8313. ELIGIBILITY FOR LIMITED EARLY RETIREMENT.

23 NOTWITHSTANDING ANY PROVISIONS OF THIS TITLE TO THE CONTRARY,
24 THE FOLLOWING EARLY RETIREMENT PROVISIONS SHALL BE APPLICABLE TO
25 ELIGIBLE MEMBERS:

26 (1) ANY MEMBER WHO, DURING THE PERIOD OF TIME FROM THE
27 EFFECTIVE DATE OF THIS SECTION THROUGH JULY 10, 1998:

28 (I) HAS CREDIT FOR AT LEAST 30 ELIGIBILITY POINTS;

29 (II) TERMINATES SCHOOL SERVICE; AND

30 (III) FILES AN APPLICATION FOR AN ANNUITY WITH AN

1 EFFECTIVE DATE OF RETIREMENT NOT LATER THAN JULY 11,
2 1998,
3 SHALL BE ENTITLED TO RECEIVE A MAXIMUM SINGLE LIFE ANNUITY
4 CALCULATED PURSUANT TO SECTION 8342 (RELATING TO MAXIMUM
5 SINGLE LIFE ANNUITY) WITHOUT ANY REDUCTION BY VIRTUE OF AN
6 EFFECTIVE DATE OF RETIREMENT WHICH IS UNDER THE
7 SUPERANNUATION AGE.

8 (2) ANY MEMBER WHO, DURING THE PERIOD OF TIME FROM APRIL
9 1, 1999, THROUGH [JUNE 30, 1999] JULY 15, 1999:

10 (I) HAS CREDIT FOR AT LEAST 30 ELIGIBILITY POINTS;

11 (II) TERMINATES SCHOOL SERVICE; AND

12 (III) FILES AN APPLICATION FOR AN ANNUITY WITH AN
13 EFFECTIVE DATE OF RETIREMENT NOT LATER THAN [JULY 1,
14 1999] JULY 16, 1999,

15 SHALL BE ENTITLED TO RECEIVE A MAXIMUM SINGLE LIFE ANNUITY
16 CALCULATED PURSUANT TO SECTION 8342 WITHOUT ANY REDUCTION BY
17 VIRTUE OF AN EFFECTIVE DATE OF RETIREMENT WHICH IS UNDER THE
18 SUPERANNUATION AGE.

19 § 8324. CONTRIBUTIONS FOR PURCHASE OF CREDIT FOR CREDITABLE
20 NONSCHOOL SERVICE.

21 * * *

22 (E) CREDITABLE WORK EXPERIENCE.--CONTRIBUTIONS ON ACCOUNT OF
23 T-C CREDIT FOR CREDITABLE WORK EXPERIENCE PURSUANT TO SECTION
24 8304(B)(6) AND (9) SHALL BE THE PRESENT VALUE OF THE FULL
25 ACTUARIAL COST OF THE INCREASE IN THE PROJECTED SUPERANNUATION
26 ANNUITY CAUSED BY THE ADDITIONAL SERVICE CREDITED ON ACCOUNT OF
27 THE PURCHASE OF CREDITABLE WORK EXPERIENCE. THE AMOUNT PAID FOR
28 THE PURCHASE OF CREDIT FOR CREDITABLE WORK EXPERIENCE SHALL NOT
29 BE PAYABLE AS A LUMP SUM UNDER SECTION 8345(A)(4)(III) (RELATING
30 TO MEMBER'S OPTIONS). [ANY INDIVIDUAL ELIGIBLE TO RECEIVE AN

1 ANNUITY, EXCLUDING AN ANNUITY RECEIVED UNDER THE FEDERAL SOCIAL
2 SECURITY ACT (42 U.S.C. § 301 ET SEQ.), IN ANOTHER PENSION
3 SYSTEM, OTHER THAN A MILITARY PENSION SYSTEM, SHALL NOT BE
4 ELIGIBLE TO PURCHASE THIS SERVICE.]

5 * * *

6 Section ~~2~~ 3. Section 8346(a) of Title 24 is amended and the ←
7 section is amended by adding a subsection to read:

8 § 8346. Termination of annuities.

9 (a) General rule.--If an annuitant returns to school service
10 or enters State service and elects multiple service membership,
11 any annuity payable to him under this part shall cease and in
12 the case of an annuity other than a disability annuity the
13 present value of such annuity, adjusted for full coverage in the
14 case of a joint coverage member who makes the appropriate back
15 contributions for full coverage, shall be frozen as of the date
16 such annuity ceases. An annuitant who is credited with an
17 additional 10% of membership service as provided in section
18 8302(b.2) (relating to credited school service) and who returns
19 to school service, except as provided in subsection (b) or (e),
20 shall forfeit such credited service and shall have his frozen
21 present value adjusted as if his 10% retirement incentive had
22 not been applied to his account. In the event that the cost-of-
23 living increase enacted December 18, 1979, occurred during the
24 period of such State or school employment, the frozen present
25 value shall be increased, on or after the member attains
26 superannuation age, by the percent applicable had he not
27 returned to service.

28 * * *

29 (e) Exception.--An annuitant may be employed by a school
30 district, intermediate unit or area vocational school as a

1 coach, director or sponsor of a school activity under a separate
2 contract, without being subject to the cessation of annuity
3 provisions and the forfeiture provisions in subsection (a),
4 provided the contract specifies that no credited service will be
5 earned toward the account of the annuitant. No contributions by
6 the annuitant, the employer or the Commonwealth shall be made to
7 the annuitant's savings account for work provided under any such
8 contract.

9 Section 3 4. This act shall take effect immediately.

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