

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## SENATE BILL

No. 309 Session of  
1999INTRODUCED BY CONTI, TOMLINSON, MOWERY, STAPLETON AND RHOADES,  
FEBRUARY 3, 1999

AS AMENDED ON THIRD CONSIDERATION, JUNE 8, 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  
19 (Public Law 78-73, 57 Stat. 153), if the total period of

1 training under the plan was at least [two years] one year,  
2 the credit for such service not to exceed three years.  
3 Notwithstanding the requirements of subsection (a), the  
4 purchase of this credit shall be available to annuitants who  
5 left school service after January 1, 1984, but before  
6 September 1, 1998. The purchased nonschool credit under this  
7 paragraph shall not be included in the calculation or payment  
8 of benefits for any period of time prior to the date of  
9 purchase.

10 (9) Service as a Peace Corps volunteer performed  
11 pursuant to the Peace Corps Act (Public Law 87-294, 75 Stat.  
12 612), provided that a member may not purchase more than two  
13 years of such service and that the member makes the election  
14 to purchase credit for this nonschool service within three  
15 years of the effective date of this paragraph or within three  
16 years of entry into school service subsequent to such  
17 creditable nonschool service, whichever occurs later.

18 \* \* \*

19 Section 2. Sections 8313 and 8324(e) of Title 24 are amended  
20 to read:

21 § 8313. Eligibility for limited early retirement.

22 Notwithstanding any provisions of this title to the contrary,  
23 the following early retirement provisions shall be applicable to  
24 eligible members:

25 (1) Any member who, during the period of time from the  
26 effective date of this section through July 10, 1998:

27 (i) has credit for at least 30 eligibility points;

28 (ii) terminates school service; and

29 (iii) files an application for an annuity with an

30 effective date of retirement not later than July 11,

1           1998,  
2       shall be entitled to receive a maximum single life annuity  
3       calculated pursuant to section 8342 (relating to maximum  
4       single life annuity) without any reduction by virtue of an  
5       effective date of retirement which is under the  
6       superannuation age.

7           (2) Any member who, during the period of time from April  
8       1, 1999, through [June 30, 1999] July 15, 1999:

9           (i) has credit for at least 30 eligibility points;

10          (ii) terminates school service; and

11          (iii) files an application for an annuity with an  
12       effective date of retirement not later than [July 1,  
13       1999] July 16, 1999,

14       shall be entitled to receive a maximum single life annuity  
15       calculated pursuant to section 8342 without any reduction by  
16       virtue of an effective date of retirement which is under the  
17       superannuation age.

18   § 8324. Contributions for purchase of credit for creditable  
19       nonschool service.

20       \* \* \*

21       (e) Creditable work experience.--Contributions on account of  
22   T-C credit for creditable work experience pursuant to section  
23   8304(b)(6) and (9) shall be the present value of the full  
24   actuarial cost of the increase in the projected superannuation  
25   annuity caused by the additional service credited on account of  
26   the purchase of creditable work experience. The amount paid for  
27   the purchase of credit for creditable work experience shall not  
28   be payable as a lump sum under section 8345(a)(4)(iii) (relating  
29   to member's options). †Any individual eligible to receive an  
30   annuity, excluding an annuity received under the Federal Social

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1 Security Act (42 U.S.C. § 301 et seq.), in another pension  
2 system, other than a military pension system, shall not be  
3 eligible to purchase this service.†

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4 \* \* \*

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

7 § 8346. Termination of annuities.

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

27 \* \* \*

28 ~~(c) Exception. An (E) EXCEPTIONS.--~~

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29 (1) AN annuitant may be employed by a school district,  
30 intermediate unit or area vocational school as a coach, director

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

9       (2) AN ANNUITANT ALSO MAY BE EMPLOYED UNDER SEPARATE <—  
10 CONTRACT BY A SCHOOL DISTRICT, INTERMEDIATE UNIT OR AREA  
11 VOCATIONAL-TECHNICAL SCHOOL ON A LESS-THAN-FULL-TIME BASIS AS  
12 AN INSTRUCTOR OR ADMINISTRATOR OF AN ADULT EDUCATION OR BASIC  
13 LITERACY EDUCATION PROGRAM WITHOUT BEING SUBJECT TO THE  
14 CESSATION OF ANNUITY PROVISIONS AND THE FORFEITURE PROVISIONS  
15 IN SUBSECTION (A), PROVIDED THE PROGRAM IS CONDUCTED OUTSIDE  
16 THE REGULAR INSTRUCTIONAL HOURS, IS NOT PART OF A PROGRAM OR  
17 CURRICULUM MANDATED BY STATE LAW AND DOES NOT REQUIRE STATE  
18 CERTIFICATION OF THE ADMINISTRATORS OR INSTRUCTORS CONDUCTING  
19 THE PROGRAM. THE CONTRACT SHALL SPECIFY THAT NO CREDITED  
20 SERVICE WILL BE EARNED TOWARD THE ACCOUNT OF THE ANNUITANT  
21 AND NO CONTRIBUTIONS BY THE ANNUITANTS, THE EMPLOYER OR THE  
22 COMMONWEALTH SHALL BE MADE TO THE ANNUITANT'S SAVINGS ACCOUNT  
23 FOR WORK PROVIDED UNDER ANY SUCH CONTRACT.

24 Section 4. This act shall take effect immediately.