
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2337 Session of
2004

INTRODUCED BY HUTCHINSON, FEBRUARY 3, 2004

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 3, 2004

AN ACT

1 Amending Title 71 (State Government) of the Pennsylvania
2 Consolidated Statutes, further providing for classes of
3 service and for election to become a Class AA member.

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

6 Section 1. Sections 5306(a.1) and 5306.1 of Title 71 of the
7 Pennsylvania Consolidated Statutes are amended to read:

8 § 5306. Classes of service.

9 * * *

10 (a.1) Class AA membership.--

11 (1) [A] Except as provided in paragraph (1.1), a person
12 who becomes a State employee and an active member of the
13 system after June 30, 2001, and who is not a State police
14 officer and not employed in a position for which a class of
15 service other than Class A is credited or could be elected
16 shall be classified as a Class AA member and receive credit
17 for Class AA State service upon payment of regular member
18 contributions for Class AA service and, subject to the

1 limitations contained in paragraph (7), if previously a
2 member of Class A or previously employed in a position for
3 which Class A service could have been earned, shall have all
4 Class A State service (other than State service performed as
5 a State police officer or for which a class of service other
6 than Class A was earned or could have been elected)
7 classified as Class AA service.

8 (1.1) A person who becomes a State employee and an
9 active member of the system after the effective date of this
10 paragraph and who is employed in a position for which Class
11 E-2 may be credited may elect membership in Class AA in lieu
12 of membership in Class E-2. A member who elects Class AA
13 membership under this paragraph shall receive credit for
14 Class AA State service upon payment of regular member
15 contributions for Class AA service and, if previously a
16 member of Class A or previously employed in a position for
17 which Class A service could have been earned, shall have all
18 Class A State service, other than State service performed as
19 a State police officer or for which a class of service other
20 than Class A was earned or could have been elected,
21 classified as Class AA service.

22 (2) A person who is a State employee on June 30, 2001,
23 and July 1, 2001, but is not an active member of the system
24 because membership in the system is optional or prohibited
25 pursuant to section 5301 (relating to mandatory and optional
26 membership) and who becomes an active member after June 30,
27 2001, and who is not a State police officer and not employed
28 in a position for which a class of service other than Class A
29 is credited or could be elected shall be classified as a
30 Class AA member and receive credit for Class AA State service

1 upon payment of regular member contributions for Class AA
2 service and, subject to the limitations contained in
3 paragraph (7), if previously a member of Class A or
4 previously employed in a position for which Class A service
5 could have been earned, shall have all Class A State service
6 (other than State service performed as a State Police officer
7 or for which a class of service other than Class A was earned
8 or could have been elected) classified as Class AA service.

9 (3) Provided that an election to become a Class AA
10 member is made pursuant to section 5306.1 (relating to
11 election to become a Class AA member), a State employee,
12 other than a State employee who is a State police officer on
13 or after July 1, 1989, who on June 30, 2001, and July 1,
14 2001, is:

15 (i) a member of Class A, other than a member of
16 Class A who could have elected membership in a Class C,
17 Class D-3, Class E-1 or Class E-2; or

18 (ii) an inactive member on a leave without pay from
19 a position in which the State employee would be a Class A
20 active member if the employee was not on leave without
21 pay, other than a position in which the State employee
22 could elect membership in Class C, Class D-3, Class E-1
23 or Class E-2;

24 shall be classified as a Class AA member and receive credit
25 for Class AA State service performed after June 30, 2001,
26 upon payment of regular member contributions for Class AA
27 service and, subject to the limitations contained in
28 paragraph (7), shall receive Class AA service credit for all
29 Class A State service, other than State service performed as
30 a State police officer or as a State employee in a position

1 for which the member could have elected membership in Class
2 C, Class D-3, Class E-1 or Class E-2, performed before July
3 1, 2001.

4 (4) Provided that an election to become a Class AA
5 member is made pursuant to section 5306.1, a former State
6 employee, other than a former State employee who was a State
7 police officer on or after July 1, 1989, who on June 30,
8 2001, and July 1, 2001, is a multiple service member and a
9 school employee and a member of the Public School Employees'
10 Retirement System, subject to the limitations contained in
11 paragraph (7), shall receive Class AA service credit for all
12 Class A State service, other than State service performed as
13 a State police officer or as a State employee in a position
14 in which the former State employee could have elected a class
15 of service other than Class A, performed before July 1, 2001.

16 (5) A former State employee, other than a former State
17 employee who was a State police officer on or after July 1,
18 1989, who is a school employee and who on or after July 1,
19 2001, becomes a multiple service member, subject to the
20 limitations contained in paragraph (7), shall receive Class
21 AA service credit for all Class A State service other than
22 State service performed as a State employee in a position in
23 which the former State employee could have elected a class of
24 service other than Class A.

25 (6) A State employee who after June 30, 2001, becomes a
26 State police officer or who is employed in a position in
27 which the member could elect membership in a class of service
28 other than Class AA or Class D-4 shall retain any Class AA
29 service credited prior to becoming a State police officer or
30 being so employed but shall be ineligible to receive Class AA

1 credit thereafter and instead shall receive Class A credit
2 unless a class of membership other than Class A is elected.

3 (7) (i) State service performed as Class A service
4 before July 1, 2001, and State service for which Class A
5 service could have been credited but was not credited
6 because membership in the system was optional or
7 prohibited pursuant to section 5301 shall be credited as
8 Class AA service only upon the completion of all acts
9 necessary for the State service to be credited as Class A
10 service had this subsection not been enacted and upon
11 payment of required Class AA member contributions as
12 provided in section 5504 (relating to member
13 contributions for the purchase of credit for previous
14 State service or to become a full coverage member).

15 (ii) A person who is not a State employee or a
16 school employee on June 30, 2001, and July 1, 2001, and
17 who has previous State service (except a disability
18 annuitant who returns to State service after June 30,
19 2001, upon termination of the disability annuity) shall
20 not receive Class AA service credit for State service
21 performed before July 1, 2001, until such person becomes
22 an active member, or an active member of the Public
23 School Employees' Retirement System and a multiple
24 service member, and earns three eligibility points by
25 performing credited State service or credited school
26 service after June 30, 2001.

27 * * *

28 § 5306.1. Election to become a Class AA member.

29 (a) General rule.--[A] Except as provided in subsection (e),
30 a person who is:

1 (1) a member of the system; or
2 (2) a multiple service member who is a school employee
3 and a member of the Public School Employees' Retirement
4 System;

5 who on July 1, 2001, is eligible for Class AA membership may
6 elect to become a member of Class AA.

7 (b) Time for making election.--The election to become a
8 Class AA member must be made by the member filing written notice
9 with the board before January 1, 2002, or before the member
10 terminates State service or, if a school employee, terminates
11 school service, whichever occurs first.

12 (c) Effect of election.--An election to become a Class AA
13 member shall become effective the later of July 1, 2001, or the
14 date when the election is filed with the board and shall remain
15 in effect until the termination of employment. Upon termination
16 and subsequent reemployment, the member's class of service shall
17 be credited in the class of service otherwise provided for in
18 this part.

19 (d) Effect of failure to make election.--Failure to elect to
20 become a Class AA member within the election period set forth in
21 subsection (b) shall result in all of the member's Class A State
22 service, other than service performed as a State police officer
23 or in a position in which the member could elect a class of
24 membership other than Class A, being credited as Class A service
25 and not subject to further election or crediting as Class AA
26 service upon termination and subsequent employment.

27 (e) Election by members of Class A who could have elected
28 Class E-2.--A person who is a member of Class A on the effective
29 date of this subsection and who is employed in a position for
30 which the member could have elected membership in Class E-2 may

1 elect to become a member in Class AA by filing a written notice
2 with the board before July 1, 2004, or before the member
3 terminates State service, whichever occurs first. An election to
4 become a Class AA member made under the provisions of this
5 subsection shall become effective the later of the effective
6 date of this subsection or the date when the election is filed
7 with the board and shall remain in effect until termination of
8 employment. Upon termination and subsequent reemployment, the
9 member's class of service shall be credited in the class of
10 service otherwise provided for in this part.

11 Section 2. This act shall take effect in 45 days.