

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 162 Session of  
1997

INTRODUCED BY ALLEN, STAIRS, COWELL, SCHULER, CORRIGAN,  
D. W. SNYDER, DeWEESE, HERMAN, LUCYK, ITKIN, McCALL, TULLI,  
DENT, BOYES, BAKER, BATTISTO, BELARDI, BOSCOLA, BUNT,  
BUTKOVITZ, BUXTON, CAPPABIANCA, CARN, CARONE, CIVERA,  
COLAIZZO, CORPORA, CURRY, DALLY, DEMPSEY, DERMODY, DONATUCCI,  
FICHTER, FLEAGLE, GEIST, GORDNER, GRUPPO, HALUSKA, HANNA,  
ARGALL, HESS, HORSEY, HUTCHINSON, JAMES, KENNEY, KIRKLAND,  
KREBS, LaGROTTA, A. H. WILLIAMS, B. SMITH, BEBKO-JONES,  
BELFANTI, BENNINGHOFF, BLAUM, C. WILLIAMS, CALTAGIRONE,  
CASORIO, COLAFELLA, CONTI, COY, E. Z. TAYLOR, EACHUS, EVANS,  
HASAY, J. TAYLOR, JAROLIN, L. I. COHEN, LAUGHLIN, LLOYD,  
M. COHEN, MANDERINO, MARKOSEK, MARSICO, MELIO, MICOZZIE,  
MIHALICH, MILLER, MUNDY, NAILOR, NICKOL, O'BRIEN, OLIVER,  
PETRONE, PLATTS, RAMOS, REBER, RIEGER, ROBERTS, ROEBUCK,  
ROONEY, S. H. SMITH, SAINATO, SANTONI, SATHER, SAYLOR,  
SERAFINI, SHANER, STABACK, STEELMAN, STETLER, STRITTMATTER,  
STURLA, SURRA, THOMAS, TIGUE, TRELLO, VAN HORNE, VANCE, VEON,  
WOGAN, WOJNAROSKI, M. N. WRIGHT, YEWCIC, YOUNGBLOOD,  
ZIMMERMAN, ZUG, TRICH, DRUCE, BISHOP, TRAVAGLIO, McNAUGHTON,  
HERSHEY, FARGO, SEYFERT, PETRARCA, STEVENSON, READSHAW,  
LESCOVITZ, WILT, CORNELL, WASHINGTON AND McILHATTAN,  
FEBRUARY 3, 1997

SENATOR LOEPER, RULES AND EXECUTIVE NOMINATIONS, IN SENATE, AS  
AMENDED, MARCH 25, 1998

AN ACT

1 Amending Titles 24 (Education) and 71 (State Government) of the  
2 Pennsylvania Consolidated Statutes, ~~further providing for~~ <—  
3 ~~creditable nonschool service; and extending the period of~~  
4 ~~eligibility for special early retirement.~~ PROVIDING FOR <—  
5 ELIGIBILITY FOR SPECIAL EARLY RETIREMENT; AND FURTHER  
6 PROVIDING FOR STANDARDS OF COMPENSATION FOR EMPLOYEES OF THE  
7 PUBLIC SCHOOL EMPLOYEES' RETIREMENT BOARD AND THE STATE  
8 EMPLOYEES' RETIREMENT BOARD.

9 The General Assembly of the Commonwealth of Pennsylvania  
10 hereby enacts as follows:

1       ~~Section 1. Section 8304(b) of Title 24 of the Pennsylvania~~       <—  
2       ~~Consolidated Statutes is amended to read:~~

3       ~~§ 8304. Creditable nonschool service.~~

4       ~~\* \* \*~~

5       ~~(b) Limitations on nonschool service. Creditable nonschool~~  
6       ~~service credit shall be limited to:~~

7               ~~(1) Intervening military service.~~

8               ~~(2) Military service other than intervening military~~  
9       ~~service and activated military service not exceeding five~~  
10       ~~years provided that a member with multiple service may not~~  
11       ~~purchase more than a total of five years of military service~~  
12       ~~in both the system and the State Employees' Retirement~~  
13       ~~System.~~

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. This paragraph includes service, prior to July 1,~~  
18       ~~1965, at a community college established under the act of~~  
19       ~~August 24, 1963 (P.L.1132, No.484), known as the Community~~  
20       ~~College Act of 1963.~~

21               ~~(4) Service as an administrator, teacher, or instructor~~  
22       ~~in the field of public school education for any agency or~~  
23       ~~department of the government of the United States whether or~~  
24       ~~not such area was under the jurisdiction of the United~~  
25       ~~States.~~

26               ~~(5) Previous service as an employee of a county board of~~  
27       ~~school directors which employment was terminated because of~~  
28       ~~the transfer of the administration of such service or of the~~  
29       ~~entire agency to a governmental entity.~~

30               ~~(6) Previous service as a county employee as a nurse.~~

1 ~~For every three years or major fraction thereof in previous~~  
2 ~~work experience, an individual may buy one year of creditable~~  
3 ~~service, not to exceed a total of five years. The purchase of~~  
4 ~~this service shall begin within three years of the employee's~~  
5 ~~eligibility to purchase this creditable service.~~

6 ~~(7) (i) Service for the period of time spent on a~~  
7 ~~maternity leave of absence required by the employer,~~  
8 ~~which creditable service shall not exceed two years per~~  
9 ~~leave and shall be applicable only to a maternity leave~~  
10 ~~which was mandatory prior to May 17, 1975. [The purchase~~  
11 ~~of this service shall begin within one year of the~~  
12 ~~employee's eligibility to purchase this creditable~~  
13 ~~service.]~~

14 ~~(ii) Service for the period of time spent on a~~  
15 ~~maternity leave of absence required by the employer,~~  
16 ~~which creditable service shall not exceed two years per~~  
17 ~~leave and shall be applicable only to a maternity leave~~  
18 ~~that was mandatory and began after May 16, 1975, and~~  
19 ~~prior to November 1, 1978. The purchase of this service~~  
20 ~~shall begin within one year of the employee's eligibility~~  
21 ~~to purchase the creditable service under this~~  
22 ~~subparagraph.~~

23 ~~(8) Service in the Cadet Nurse Corps with respect to any~~  
24 ~~period of training as a student or graduate nurse under a~~  
25 ~~plan approved under section 2 of the act of June 15, 1943~~  
26 ~~(Public Law 78-73, 57 Stat. 153), if the total period of~~  
27 ~~training under the plan was at least two years, the credit~~  
28 ~~for such service not to exceed three years.~~

29 ~~\* \* \*~~

30 ~~Section 2. Section 8312(4) of Title 24 is amended to read:~~

~~§ 8312. Eligibility for special early retirement.~~

~~Notwithstanding any provisions of this title to the contrary,  
for the period only of July 1, 1985, to July 1, [1997] 2000, the  
following special early retirement provisions shall be  
applicable to specified eligible members as follows:~~

~~\* \* \*~~

~~(4) During the period of July 1, 1993, to July 1, [1997]  
2000, a member who has credit for at least 30 eligibility  
points shall be entitled, upon termination of service and  
filing of a proper application, to receive a maximum single  
life annuity calculated pursuant to section 8342 without any  
reduction by virtue of an effective date of retirement which  
is under the superannuation age.~~

~~Section 3. Section 5308.1(4) of Title 71 is amended to read:~~

~~§ 5308.1. Eligibility for special early retirement.~~

~~Notwithstanding any provisions of this title to the contrary,  
the following special early retirement provisions shall be  
applicable to specified eligible members as follows:~~

~~\* \* \*~~

~~(4) During the period of July 1, 1993, to July 1, [1997]  
2000, a member who has credit for at least 30 eligibility  
points shall be entitled, upon termination of service and  
filing of a proper application, to receive a maximum single  
life annuity calculated pursuant to section 5702 without any  
reduction by virtue of an effective date of retirement which  
is under the superannuation age.~~

~~Section 4. Any person eligible to purchase service for  
maternity leave as provided for in 24 Pa.C.S. § 8304(b)(7)(i)  
shall have three years from the effective date of this section  
within which to purchase the service credit.~~

SECTION 1. TITLE 24 OF THE PENNSYLVANIA CONSOLIDATED  
STATUTES IS AMENDED BY ADDING A SECTION TO READ:

§ 8313. ELIGIBILITY FOR LIMITED EARLY RETIREMENT.

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

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

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

(II) TERMINATES SCHOOL SERVICE; AND

(III) FILES AN APPLICATION FOR AN ANNUITY WITH AN  
EFFECTIVE DATE OF RETIREMENT NOT LATER THAN JULY 11,  
1998,

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

(2) ANY MEMBER WHO, DURING THE PERIOD OF TIME FROM APRIL  
1, 1999, THROUGH JUNE 30, 1999:

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

(II) TERMINATES SCHOOL SERVICE; AND

(III) FILES AN APPLICATION FOR AN ANNUITY WITH AN  
EFFECTIVE DATE OF RETIREMENT NOT LATER THAN JULY 1, 1999,  
SHALL BE ENTITLED TO RECEIVE A MAXIMUM SINGLE LIFE ANNUITY  
CALCULATED PURSUANT TO SECTION 8342 WITHOUT ANY REDUCTION BY  
VIRTUE OF AN EFFECTIVE DATE OF RETIREMENT WHICH IS UNDER THE  
SUPERANNUATION AGE.

SECTION 2. SECTION 8502(A) OF TITLE 24 IS AMENDED TO READ:

§ 8502. ADMINISTRATIVE DUTIES OF BOARD.

1 (A) EMPLOYEES.--THE SECRETARY, CLERICAL AND OTHER EMPLOYEES  
2 OF THE BOARD AND THEIR SUCCESSORS WHOSE POSITIONS ON THE  
3 EFFECTIVE DATE OF THIS PART ARE UNDER THE CLASSIFIED SERVICE  
4 PROVISIONS OF THE ACT OF AUGUST 5, 1941 (P.L.752, NO.286), KNOWN  
5 AS THE CIVIL SERVICE ACT, SHALL CONTINUE UNDER SUCH PROVISIONS.  
6 NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE COMPENSATION  
7 [AND CLASSIFICATION SHALL BE ESTABLISHED BY THE BOARD FOR THE  
8 SECRETARY, THE ASSISTANT SECRETARY, INVESTMENT PROFESSIONALS AND  
9 OTHER PROFESSIONALS AS DESIGNATED BY THE BOARD WHO ARE NOT  
10 COVERED BY A COLLECTIVE BARGAINING AGREEMENT.] OF ALL OFFICERS  
11 AND EMPLOYEES OF THE BOARD WHO ARE NOT COVERED BY A COLLECTIVE  
12 BARGAINING AGREEMENT SHALL BE ESTABLISHED BY THE BOARD  
13 CONSISTENT WITH THE STANDARDS OF COMPENSATION ESTABLISHED BY THE  
14 EXECUTIVE BOARD OF THE COMMONWEALTH.

15 \* \* \*

16 SECTION 3. TITLE 71 IS AMENDED BY ADDING A SECTION TO READ:  
17 § 5308.2 ELIGIBILITY FOR LIMITED EARLY RETIREMENT.

18 NOTWITHSTANDING ANY PROVISIONS OF THIS TITLE TO THE CONTRARY,  
19 ANY ELIGIBLE MEMBER WHO, DURING THE PERIOD OF TIME FROM JULY 1,  
20 1998, THROUGH JUNE 30, 1999:

21 (1) HAS CREDIT FOR AT LEAST 30 ELIGIBILITY POINTS;

22 (2) TERMINATES STATE SERVICE; AND

23 (3) FILES AN APPLICATION FOR AN ANNUITY WITH AN

24 EFFECTIVE DATE OF RETIREMENT NOT LATER THAN JULY 1, 1999,

25 SHALL BE ENTITLED TO RECEIVE A MAXIMUM SINGLE LIFE ANNUITY

26 CALCULATED PURSUANT TO SECTION 5702 (RELATING TO MAXIMUM SINGLE

27 LIFE ANNUITY) WITHOUT ANY REDUCTION BY VIRTUE OF AN EFFECTIVE

28 DATE OF RETIREMENT WHICH IS UNDER THE SUPERANNUATION AGE.

29 SECTION 4. SECTION 5902(A) OF TITLE 71 IS AMENDED TO READ:

30 § 5902. ADMINISTRATIVE DUTIES OF THE BOARD.

1 (A) EMPLOYEES.--THE SECRETARY, CLERICAL, AND OTHER EMPLOYEES  
2 OF THE BOARD AND THEIR SUCCESSORS WHOSE POSITIONS ON THE  
3 EFFECTIVE DATE OF THIS PART ARE UNDER THE CLASSIFIED SERVICE  
4 PROVISIONS OF THE ACT OF AUGUST 5, 1941 (P.L.752, NO.286), KNOWN  
5 AS THE CIVIL SERVICE ACT, SHALL CONTINUE UNDER SUCH PROVISIONS.  
6 NOTWITHSTANDING ANY OTHER PROVISIONS OF LAW, THE COMPENSATION  
7 [SHALL BE ESTABLISHED BY THE BOARD FOR THE SECRETARY, THE  
8 ASSISTANT SECRETARY, INVESTMENT PROFESSIONALS AND OTHER  
9 PROFESSIONALS DESIGNATED BY THE BOARD WHO ARE NOT COVERED BY A  
10 COLLECTIVE BARGAINING AGREEMENT] OF ALL OFFICERS AND EMPLOYEES  
11 OF THE BOARD WHO ARE NOT COVERED BY A COLLECTIVE BARGAINING  
12 AGREEMENT SHALL BE ESTABLISHED BY THE BOARD CONSISTENT WITH THE  
13 STANDARDS OF COMPENSATION ESTABLISHED BY THE EXECUTIVE BOARD OF  
14 THE COMMONWEALTH. THE SECRETARY SHALL ACT AS CHIEF  
15 ADMINISTRATIVE OFFICER FOR THE BOARD. IN ADDITION TO OTHER  
16 POWERS AND DUTIES CONFERRED UPON AND DELEGATED TO THE SECRETARY  
17 BY THE BOARD, THE SECRETARY SHALL:

18 (1) SERVE AS THE ADMINISTRATIVE AGENT OF THE BOARD.

19 (2) SERVE AS LIAISON BETWEEN THE BOARD AND APPLICABLE  
20 LEGISLATIVE COMMITTEES, THE TREASURY DEPARTMENT, THE  
21 DEPARTMENT OF THE AUDITOR GENERAL, AND BETWEEN THE BOARD AND  
22 THE INVESTMENT COUNSEL AND THE MORTGAGE SUPERVISOR IN  
23 ARRANGING FOR INVESTMENTS TO SECURE MAXIMUM RETURNS TO THE  
24 FUND.

25 (3) REVIEW AND ANALYZE PROPOSED LEGISLATION AND  
26 LEGISLATIVE DEVELOPMENTS AFFECTING THE SYSTEM AND PRESENT  
27 FINDINGS TO THE BOARD, LEGISLATIVE COMMITTEES, AND OTHER  
28 INTERESTED GROUPS OR INDIVIDUALS.

29 (4) DIRECT THE MAINTENANCE OF FILES AND RECORDS AND  
30 PREPARATION OF PERIODIC REPORTS REQUIRED FOR ACTUARIAL

1 EVALUATION STUDIES.

2 (5) RECEIVE INQUIRIES AND REQUESTS FOR INFORMATION  
3 CONCERNING THE SYSTEM FROM THE PRESS, COMMONWEALTH OFFICIALS,  
4 STATE EMPLOYEES, THE GENERAL PUBLIC, RESEARCH ORGANIZATIONS,  
5 AND OFFICIALS AND ORGANIZATIONS FROM OTHER STATES, AND  
6 PROVIDE INFORMATION AS AUTHORIZED BY THE BOARD.

7 (6) SUPERVISE A STAFF OF ADMINISTRATIVE, TECHNICAL, AND  
8 CLERICAL EMPLOYEES ENGAGED IN RECORD-KEEPING AND CLERICAL  
9 PROCESSING ACTIVITIES IN MAINTAINING FILES OF MEMBERS,  
10 ACCOUNTING FOR CONTRIBUTIONS, PROCESSING PAYMENTS TO  
11 ANNUITANTS, PREPARING REQUIRED REPORTS, AND RETIREMENT  
12 COUNSELING.

13 \* \* \*

14 Section 5. This act shall take effect immediately.