

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1240 Session of 2011

INTRODUCED BY SOLOBAY, COSTA, FONTANA, RAFFERTY AND M. WHITE,
SEPTEMBER 6, 2011

REFERRED TO FINANCE, SEPTEMBER 6, 2011

AN ACT

1 Amending Title 71 (State Government) of the Pennsylvania
2 Consolidated Statutes, further providing for creditable
3 nonstate service and for contributions for the purchase of
4 credit.

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

7 Section 1. Section 5304(c) of Title 71 of the Pennsylvania
8 Consolidated Statutes is amended by adding a paragraph and the
9 section is amended by adding a subsection to read:

10 § 5304. Creditable nonstate service.

11 * * *

12 (b.1) Prohibition.--In no event shall the service be
13 creditable for persons eligible under subsection (c)(9) if the
14 member has received, is entitled to receive, is eligible to
15 receive now or in the future or is receiving retirement benefits
16 for such service or has retirement credit or has now or acquires
17 in the future retirement credit under a retirement system
18 administered and wholly or partially paid for by any other
19 governmental agency, private employer or labor organization. In

1 the event that nonstate service credit is granted for the
2 service and the member subsequently receives credit for the
3 service that is prohibited by this paragraph, the nonstate
4 service credited shall be canceled and any member contributions
5 and interest paid by the member under section 5505(i)(2) shall
6 be refunded to the member by the board.

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

9 * * *

10 (9) Service by mine inspectors, electrical inspectors
11 and emergency response training specialists employed in
12 accordance with the act of July 7, 2008 (P.L.654, No.55),
13 known as the Bituminous Coal Mine Safety Act, or the act of
14 November 10, 1965 (P.L.721, No.346), known as the
15 Pennsylvania Anthracite Coal Mine Act. This service time may
16 be purchased for the period of previous employment in mining
17 required for employment and certification, if any, under the
18 Bituminous Coal Mine Safety Act or the Pennsylvania
19 Anthracite Coal Mine Act, as applicable, not exceeding five
20 years, provided that such service is certified by the
21 previous employer and contributions are agreed upon and made
22 in accordance with section 5505. Persons eligible under this
23 paragraph may purchase service only after earning ten
24 eligibility points for service performed as a State employee
25 and shall purchase service within three years of becoming
26 eligible. Failing to purchase service within three years of
27 becoming eligible shall preclude the purchase of service
28 under this paragraph.

29 * * *

30 Section 2. Section 5505(d) of Title 71 is amended and the

1 section is amended by adding a subsection to read:

2 § 5505. Contributions for the purchase of credit for creditable
3 nonstate service.

4 * * *

5 (d) Nonmilitary and nonmagisterial service.--Contributions
6 made under subsection (j) notwithstanding, contributions on
7 account of credit for creditable nonstate service other than
8 military and magisterial service by State employees who first
9 become members of the system before January 1, 2011, or before
10 December 1, 2010, as a member of the General Assembly shall be
11 determined by applying the member's basic contribution rate, the
12 additional contribution rate plus the Commonwealth normal
13 contribution rate for active members at the time of entry
14 subsequent to such creditable nonstate service of the member
15 into State service to his compensation at the time of entry into
16 State service and multiplying the result by the number of years
17 and fractional part of a year of creditable nonstate service
18 being purchased together with statutory interest during all
19 periods of subsequent State and school service to the date of
20 purchase. Upon application for credit for such service payment
21 shall be made in a lump sum within 30 days or in the case of an
22 active member or eligible school employee who is an active
23 member of the Public School Employees' Retirement System it may
24 be amortized with statutory interest through salary deductions
25 in amounts agreed upon by the member and the board. The salary
26 deduction amortization plans agreed to by members and the board
27 may include a deferral of payment amounts and statutory interest
28 until the termination of school service or State service as the
29 board in its sole discretion decides to allow. The board may
30 limit salary deduction amortization plans to such terms as the

board in its sole discretion determines. In the case of an eligible school employee who is an active member of the Public School Employees' Retirement System, the agreed upon salary deduction shall be remitted to the Public School Employees' Retirement Board, which shall certify and transfer to the board the amounts paid.

* * *

(j) Purchase of service credit by certain mine workers.--

(1) The amount due for the purchase of credit for mining service as authorized under subsection (a) shall be determined by applying the member's basic contribution rate, the additional contribution rate plus the Commonwealth normal contribution rate for active members at the time of entry, subsequent to such mining service, of the member into State service to his average annual rate of compensation over the first three years of such subsequent State service and multiplying the result by the number of years of creditable mining service being purchased together with statutory interest during all periods of subsequent State service to date of purchase. Applicants purchasing credit under this subsection shall make only one purchase up to the total amount for which they are eligible.

(2) The purchase payment may be made in a lump sum by the member within 30 days of certification by the board of the required purchase amount or may be amortized with statutory interest through salary deductions in amounts agreed upon by the member and the board. The salary deduction amortization plans agreed to by members and the board may include a deferral of payment amounts and statutory interest until the termination of State service as the board in its

1 sole discretion decides to allow. The board may limit salary
2 deduction amortization plans to such terms as the board in
3 its sole discretion determines.

4 Section 3. This act shall take effect in 120 days.