

No. 115

AN ACT

HB 1529

Amending the act of June 1, 1959 (P. L. 350), entitled "An act relating to the retirement of public school employes; amending, revising, consolidating and changing the laws relating thereto," providing for optional membership for employes of community colleges, vocational technical schools or technical institutes; authorizing the rescission of prior elections of membership in the dual coverage group and for the continuing right to make an election to become a member of the dual coverage group at any time during membership; increasing credit for out of state service and removing time limitations for applications for and payment of back contributions for same; defining disability as an involuntary separation and providing disability supplements therefor; increasing the amount subject to assignment to a credit union; further providing for the computation of benefits; providing for the reemployment of annuitants for limited periods without cessation of annuities; authorizing the recomputation of annuities in certain cases; imposing duties on heads of departments, annuitants and the retirement board.

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

Section 1. Clause (6) of section 102, act of June 1, 1959 (P. L. 350), known as the "Public School Employes' Retirement Code of 1959," amended August 13, 1963 (P. L. 693), is amended to read:

Section 102. Definitions.—The following words and phrases as used in this act, unless a different meaning is plainly required by the context, shall have the following meanings:

* * *

(6) "Public school" shall mean any class school, high school, training school, vocational school, truant school, parental school, schools for the instruction of the physically handicapped, and any or all classes or schools within the Commonwealth, conducted under the order and superintendence of the Department of Public Instruction of the Commonwealth and of a duly elected or appointed board of public education, board of school directors or board of trustees of the Commonwealth or of any school district, and shall include the officers of the Department of Public Instruction and the State Board of Education, community colleges, area vocational technical schools, and technical institutes established under the provisions of the "Community College Act of 1963."

Section 2. Subsection (1) of section 201 of the act is amended by adding after clause (d), a new clause to read:

Section 201. Mandatory and Optional Membership.—

(1) Membership in the retirement system shall be mandatory for all school employes, except the following:

* * *

(e) School employes in community colleges, area vocational technical schools, or technical institutes who have elected to become members of the State Employes' Retirement System.

* * *

Section 3. Subsection (2) of section 201 of the act is amended to read:

Section 201. Mandatory and Optional Membership.—

* * *

(2) The school employes listed in subsection (1) above, clause (a), shall have the right to elect membership in the retirement system. The school employes listed in subsection (1) above, clauses (b), [and] (c), and (e) shall not have the right to elect membership in the retirement system.

Section 4. Section 203 of the act, amended August 27, 1963 (P. L. 1287), is amended to read:

Section 203. Joint and Dual Coverage of Contributors Under Retirement System and Social Security.—The membership of each class defined in section 202 subsection (1) shall belong to one of the following groups:

(1) Joint Coverage Group, consisting of any school employe who has become a contributor subsequent to May 28, 1957, and prior to January 1, 1966, or who having become a contributor on or before May 28, 1957, shall have filed with the retirement board a written statement that he elects social security coverage under an agreement with the Federal Secretary of Health, Education and Welfare entered into by the Commonwealth for school employes and except any such employe who [elects after July 1, 1964, and prior to January 1, 1966,] has filed with the board an effective election to become a member of the dual coverage group.

(2) Single Coverage Group, consisting of any school employe who became a contributor on or before May 28, 1957, and who either has filed with the retirement board a written statement that he does not elect social security coverage under any agreement with the Federal Secretary of Health, Education and Welfare entered into by the Commonwealth for school employes or has not filed with the retirement board any written statement electing such coverage.

(3) Dual Coverage Group, consisting of—

(a) Any school employe who [is] while a member of the joint coverage group [and who after July 1, 1964, and prior to January 1, 1966,

files an] filed an effective election with the retirement board to make contributions without the reduction provided for in section 301 subsection (4) and whose superannuation retirement allowance or withdrawal allowance shall be computed without the reduction provided by section 403 subsection (1): Provided, That he makes the back contributions required under section 302 subsection (2.1).

(b) Any school employe who shall become a contributor subsequent to December 31, 1965, regardless of previous membership in the system.

Section 5. Subsection (2) of section 207 of the act is amended to read:

Section 207. Credit for Out-of-State Service.—

* * *

(2) Such credit shall not exceed [ten (10)] twelve (12) years nor the number of years between the age of the contributor at the time he becomes a member and the age at retirement nor the number of years of credited service in this Commonwealth. In the event that a contributor withdraws from the retirement system or retires on superannuation or disability retirement before back contributions are fully paid, the member's annuity and his State annuity shall be credited with the number of years of out-of-state service or fractional parts thereof for which he has purchased credit to the date of application for retirement.

Section 6. Subsection (2.1) of section 302 of the act, added August 27, 1963 (P. L. 1287), is amended to read:

Section 302. Members' Contributions on Account of Past Service.—

* * *

(2.1) Any school employe who [is] while a member of the joint coverage group [who, after July 1, 1964, and prior to January 1, 1966, elects] filed an effective election to become a member of the dual coverage group, shall pay to the fund within [one (1) year] three (3) years of such election and any former member of the joint coverage group who returns to service after December 31, 1965, and who did not withdraw his accumulated deductions, shall pay to the fund within [one (1) year] three (3) years of return to service an amount equal to the difference between his accumulated deductions as of the date of his election or return to service and the accumulated deductions which would have been to his credit if contributions had been made without the reduction provided for in section 301 subsection (4), provided that all such payments shall be completed prior to receipt of a superannuation retirement allowance

or withdrawal allowance.

* * *

Section 7. Clause (a) of subsection (5) of section 302 of the act, amended August 4, 1959 (P. L. 599), is amended to read:

Section 302. Members' Contributions on Account of Past Service.—

* * *

(5) (a) Any school employe entitled to credit under the provisions of article II, section 207 shall pay into the retirement fund an amount equal to the contributions which would have been collected from such contributor for the period of out-of-state service had such service been rendered in this Commonwealth at his compensation for the school year in which application for credit for such service is made, figured at the contributor's current percentage of salary deductions, together with an additional amount as the equivalent of the contributions of the school district and the Commonwealth on account of such service. The contributions required to be paid for such service credit may be paid in a lump sum or by installments agreed upon by the contributor and the retirement board. [Installment payments shall begin on or before October 1, 1960, or before the contributor has completed three (3) years of service in this Commonwealth.] All such contributions shall be credited in equal amounts to the employes' annuity savings account and the contingent reserve account.

* * *

Section 8. Subsection (2) of section 402 of the act, amended August 4, 1959 (P. L. 599) and August 27, 1963 (P. L. 1287), is amended to read:

Section 402. Withdrawal Benefits.—

* * *

(2) Upon discontinuance of service before reaching superannuation retirement age a contributor who has completed twenty-five (25) years of credited service as a member of Class T-A and who is a member of the single or dual coverage group or upon discontinuance of service due to physical or mental incapacity for the performance of duty before reaching superannuation retirement age, a contributor who has completed ten (10) years of credited service as a member of Class T-A or Class T-B and who is a member of the single or dual coverage group, shall be paid as he shall elect as follows:

(a) The full amount of the accumulated deductions standing to his individual credit in the employes' annuity savings account as of the date

of separation from school service, and, in addition, in the case of a contributor who has made contributions on account of past service according to the provisions of article III. section 302 subsection (4), (5) (a) or (6), the amounts paid by him as the equivalent of the contributions of the school district and the Commonwealth, or in lieu thereof, should he so elect.

(b) A withdrawal allowance, beginning immediately, which shall consist of—

(i) A member's annuity which shall be the actuarial equivalent at the date at which benefits begin of his accumulated deductions, and

(ii) A State annuity having a value equal to the present value of a State annuity beginning at superannuation retirement age and calculated in accordance with the provisions of section 401 subsection (1) paragraph (a) of this article and based upon the final average salary of the withdrawing contributor and the years of credited service to the date of withdrawal.

* * *

Section 9. Subsection (2.1) of section 402 of the act, added August 4, 1959 (P. L. 599), and amended August 27, 1963 (P. L. 1287), is amended to read:

Section 402. Withdrawal Benefits.—

* * *

(2.1) A contributor who is a member of the single or dual coverage group, who has credit for multiple service and whose service is discontinued voluntarily or involuntarily before [reaching the superannuation retirement age specified for any class of membership for which he has credited service,] attaining eligibility for superannuation retirement and who applies for a withdrawal allowance, shall receive a voluntary or involuntary withdrawal allowance in accordance with the following provisions:

(a) A contributor shall be eligible for a voluntary or involuntary withdrawal allowance if he shall, upon the date of discontinuance of service, have accrued one hundred (100) voluntary withdrawal credits or one hundred (100) involuntary withdrawal credits.

(b) For each year of credited service a contributor shall be entitled according to class of membership to voluntary or involuntary withdrawal credits determined by reference to the following table:

Class of Membership (1)	Number of Withdrawal Credits for Each Year of Service	
	Voluntary Withdrawal Credits (2)	Involuntary Withdrawal Credits (3)
Public School Employees' Retirement System		
T-A	4	10
T-B	0	0
State Employees' Retirement System		
A	4	10
B	4	10
C	4	10
D	10	10
D-1	10	10
D-2	10	10
<u>D-3</u>	<u>10</u>	<u>10</u>
E	5	10
E-1	5	10
<u>F</u>	<u>0</u>	<u>0</u>

In determining eligibility for a voluntary withdrawal allowance only accumulated voluntary withdrawal credits determined with reference to columns (1) and (2) shall be added, and in determining eligibility for an involuntary withdrawal allowance only accumulated involuntary credits determined with reference to columns (1) and (3) shall be added.

(c) The voluntary or involuntary withdrawal allowance shall be the sum of the annuities computed separately with respect to service in each class of membership for which the contributor has received credit in accordance with the appropriate provisions of section 402 subsection (2) of this article and article IV. section 402 subsection (2) of the State Employees' Retirement Code: Provided, That (i) the final average salary used in the computation of the withdrawal allowance attributable to each class of membership shall be computed with reference to the contributor's total credited service, (ii) in the case of a contributor who has transferred from Class B to Class A in the State Employees' Retirement System, the prior service component applicable to an original member shall have a value equal to an annuity beginning at superannuation retirement age of one one-hundred-sixtieth (1/160) of his final average salary multiplied by total years of prior service multiplied by

the ratio of years of contributory service at the one one-hundred-sixtieth (1/160) rate to total years of contributory service plus one one-hundredth (1/100) of his final average salary multiplied by total years of prior service multiplied by the ratio of years of contributory service at the one one-hundredth (1/100) rate to total years of contributory service.

* * *

Section 10. Subsection (3) of section 402 of the act is amended to read:

Section 402. Withdrawal Benefits.—

* * *

(3) Upon discontinuance of service before reaching superannuation retirement age, a contributor who is a member of Class T-A or Class T-B and who is a member of the joint coverage group shall be entitled to receive a withdrawal allowance computed in accordance with the applicable provisions of subsection (2) of this section but reduced in accordance with the provisions of section 403 of this article.

Section 11. Section 402 of the act is amended by adding at the end thereof a new subsection to read:

Section 402. Withdrawal Benefits.—

* * *

(4) Discontinuance of service due to physical or mental incapacity for the performance of duty shall be deemed to be involuntary discontinuance of service.

Section 12. Subsection (2) of section 403 of the act is amended to read:

Section 403. Reduction of Superannuation Retirement Allowances and Withdrawal Allowances on Account of Social Security Old Age Insurance Benefits (Primary Insurance Amount).—

* * *

(2) The reduction in benefits provided for in this subsection shall not apply to disability [allowances] supplements payable under the provisions of section 405 of this article nor to the withdrawal allowance payable to an annuitant who discontinued service due to physical or mental incapacity for the performance of duty.

* * *

Section 13. Option 4 of clause (b) of subsection (1) of section 404 of the act is amended to read:

Section 404. Member's Options.—

(1) Upon superannuation retirement under the provisions of section 401 of this article or upon withdrawal under the provisions of section 402 of this article, a contributor who has made application according to the provisions of article V. section 505 subsection (5), may elect to receive his benefits in conformance with any one of the following plans.

* * *

(b) The actuarial equivalent at the time of superannuation retirement or withdrawal of his member's annuity, his State annuity or his superannuation retirement allowance in (i) a lesser member's annuity, or (ii) a lesser State annuity, or (iii) a lesser superannuation retirement allowance or withdrawal allowance payable throughout life according to any one of the following provisions:

* * *

Option 4. Such other benefit or benefits shall be paid to either the contributor or such other person or persons as he shall nominate, provided such other benefit or benefits shall, together with such lesser member's annuity or lesser State annuity or lesser superannuation retirement or withdrawal allowance, be certified by the actuary of the retirement board to be of equivalent actuarial value [and shall be approved by the retirement board].

* * *

Section 14. Section 405 of the act, subsection (2.1) added August 4, 1959 (P. L. 599), and subsection (4) amended December 17, 1959 (P. L. 1929) is amended to read:

Section 405. Disability [Allowances] Supplements.—

(1) Upon qualification for a disability [allowance] supplement according to the provisions of article V. section 505 subsection (6), a contributor who is a member of Class T-A, who has at least ten (10) years of credited service and who is under superannuation retirement age, shall receive a disability [allowance which shall consist] supplement equal to the amount by which the withdrawal allowance provided for in section 402 is less than an allowance consisting of a member's annuity which shall be the actuarial equivalent of his accumulated deductions and a State annuity which shall consist of the following components:

(a) A basic component which, together with the member's annuity, shall be sufficient to produce [a disability] an allowance of one-ninetieth (1/90) of his final average salary multiplied by the number of his years of credited service, and

(b) A minimum allowance component equal to the amount, if any, by which the member's annuity and the basic component of the State annuity is exceeded by the lesser of—

(i) Thirty-three and one-third ($33 \frac{1}{3}$) percent of his final average salary, or

(ii) Eight-ninths ($8/9$) of the superannuation retirement allowance to which the contributor would have been entitled at superannuation retirement age if he had remained in service as a school employe and had received the same annual compensation which he was receiving immediately preceding disability.

(2) Upon qualification for a disability [allowance] supplement according to the provisions of article V. section 505 subsection (6), a contributor who is a member of Class T-B, who has at least ten (10) years of credited service and who is under superannuation retirement age, shall receive a disability [allowance which shall consist] supplement equal to the amount by which the withdrawal allowance provided for in section 402 is less than an allowance consisting of a member's annuity which shall be the actuarial equivalent of his accumulated deductions and a State annuity which shall consist of the following components:

(a) A basic component which, together with the member's annuity, shall be sufficient to produce [a disability] an allowance of one-ninetieth ($1/90$) of his final average salary multiplied by the number of his years of credited service, and

(b) A minimum allowance component equal to the amount, if any, by which the member's annuity and the basic component of the State annuity is exceeded by the lesser of—

(i) Thirty (30) percent of his final average salary, or

(ii) Eight-ninths ($8/9$) of the superannuation retirement allowance to which the contributor would have been entitled at superannuation retirement age if he had remained in service as a school employe and had received the same annual compensation which he was receiving immediately preceding disability.

(2.1) A contributor who has credit for multiple service, who is [under the superannuation retirement age specified for any class of membership for which he has credited service,] not eligible for superannuation retirement and who applies for a disability [allowance] supplement shall receive such [allowance] supplement in accordance with the following provisions:

(a) A contributor shall be eligible for a disability [allowance] supplement if he shall upon date of application have accrued one hundred (100) disability credits.

(b) A contributor shall be entitled to ten (10) disability credits for each year of credited service as a member of Class T-A or Class T-B and to twenty (20) disability credits for each year of service as a member of any class of membership in the State Employees' Retirement System.

(c) The disability [allowance shall consist] supplement shall equal the amount by which the withdrawal allowance provided for in section 402 attributable to credited service in all classes of membership other than Class C is less than an allowance consisting of a member's annuity which shall be the actuarial equivalent of his accumulated deductions with respect to total credited service attributable to all classes of membership other than Class C and a State annuity which shall consist of the following components:

(i) A basic component which, together with the member's annuity, shall be sufficient to produce [a disability] an allowance of one-ninetieth (1/90) of his final average salary multiplied by the total number of years of credited service in all classes of membership other than Class C, and

(ii) A minimum allowance component equal to the amount, if any, by which the sum of the member's annuity and the basic component of the State annuity is exceeded by the lesser of thirty-three and one-third ($33 \frac{1}{3}$) percent of his final average salary or eight-ninths ($8/9$) of the superannuation retirement allowance to which he would have been entitled at superannuation retirement age if he had remained in service and had continued to receive the same annual compensation which he was receiving immediately preceding disability.

A contributor with credited service as a member of Class C shall receive, in addition, a disability supplement equal to the amount by which the withdrawal allowance provided for in section 402 attributable to service as a member of Class C is less than an allowance consisting of a member's annuity which shall be the actuarial equivalent of his accumulated deductions attributable to service as a member of Class C and a State annuity with respect to such service [not to exceed fifty (50) percent of final average salary] equal to two one-hundredths

(2/100) of his final average salary multiplied by the number of years of his credited service as a member of Class C: Provided, That the [disability allowance] combined withdrawal allowance and disability supplements for such contributor attributable to total credited service in all classes of membership shall not be less than thirty-three and one-third (33 1/3) percent of his final average salary.

The final average salary used in the computation of a disability supplement for a contributor who has credit for multiple service shall be computed with reference to the contributor's total credited service.

(3) At or before the time of his disability retirement, any contributor may elect, by written election, duly executed and filed with the retirement board, to receive his benefits in a [disability retirement allowance payable throughout life] single life annuity or he may, upon disability retirement, elect to receive the actuarial equivalent at¹ that time of his [disability retirement allowance] benefits in a lesser [disability retirement allowance] annuity payable throughout life: Provided, That if he dies before he has received in combined withdrawal allowance and disability [retirement allowance] supplement payments the present value of his member's annuity as it was at the time of his disability retirement, the balance shall be paid to his legal representative or to such person as he shall nominate by written designation, duly executed and filed with the retirement board.

(4) Should a physician or physicians, designated by the retirement board, report and certify to the retirement board that a disability annuitant is no longer physically or mentally incapacitated for the performance of duty, or that such disability annuitant is able to engage in a gainful occupation, and should the retirement board concur in such report, then the amount of the State annuity portion of the disability supplement shall be discontinued or reduced to an amount that shall be not in excess of the amount by which the amount of the last year's salary of the annuitant as a school employe, or five thousand dollars (\$5,000.00), whichever is greater, exceeds the sum of his present earning capacity and his withdrawal allowance.

(5) Upon his application, any disability annuitant under age sixty-two (62) may be restored to active service by the employer by whom he was employed at the time of his retirement. Upon his restoration to active

¹ "this" in original.

service his [disability allowance] withdrawal allowance and disability supplement shall cease.

Section 15. Subsection (1) of section 405.1, added August 4, 1959 (P. L. 599), is amended to read:

Section 405.1. Annuitant's Allowance Upon Return to Service and Subsequent Retirement.—

(1) The superannuation retirement allowance or the withdrawal allowance of any annuitant who shall later return to service as a school employe or as a State employe shall cease upon reentry into service until subsequent discontinuance of service: Provided, That when, in the judgment of the employer, an emergency creates an increase in the work load such that there is serious impairment of service to the public, a contributor who has retired voluntarily or for superannuation may with the approval of the Governor, be returned to school service in a classification in which he had at least two (2) years' experience and without loss of annuity shall receive the pay for such classification for a period not to exceed sixty (60) days in any calendar year.

* * *

Section 16. Section 406 of the act, amended August 4, 1959 (P. L. 599), December 30, 1959 (P. L. 2075), and September 27, 1961 (P. L. 1694), is amended to read:

Section 406. Death Benefits.—

(1) Any contributor who is entitled to a superannuation retirement allowance by reason of having reached superannuation retirement age or any member of Class T-A who has to his credit twenty-five (25) years of service as a member of such class or any contributor with credit for multiple service who has accumulated one hundred (100) voluntary withdrawal credits, may file with the retirement board a written application for retirement, in the form required for such application, but requesting that such retirement shall become effective as of the time of his death, electing one of the options provided in section 404 of this article and nominating a beneficiary under said option as required in such section. In all such cases, the application shall be held by the retirement board until the contributor shall file a later application for retirement or until the death of the contributor occurring while in school service, at which time his retirement shall become effective with the same benefits to the designated beneficiary as if the contributor had retired on the day immediately preceding his death.

(2) Any contributor who is entitled to a superannuation retirement allowance by reason of having reached superannuation retirement age or any member of Class T-A who has to his credit twenty-five (25) years of service as a member of such class or any contributor with credit for multiple service who has accumulated one hundred (100) voluntary withdrawal credits and who shall die while in school service before filing with the retirement board a written application for retirement as heretofore provided, or who, within ninety (90) days after the termination of his school service and prior to the date of his death, had not entered upon withdrawal or superannuation retirement allowance or withdrawn his accumulated deductions, shall be considered as having retired and elected to receive the actuarial equivalent of his full withdrawal allowance or superannuation allowance under Option 1, as the case may be, as provided in section 404 of this article, as of the [date of] day immediately preceding his death. In such event, payment under Option 1 shall be made to the beneficiary designated in the nomination of beneficiary form by the member and filed with the retirement board. If said beneficiary has pre-deceased the contributor, payment under Option 1 shall be made to the legal representative of such contributor.

(2.1) Should a contributor who is a member of Class T-A die before becoming eligible for retirement according to the provisions of subsection (1) or (2) of this section, after having completed ten (10) years of total credited service or having accumulated one hundred (100) involuntary withdrawal credits, there shall be paid to his estate or to such person as he shall have nominated by written designation, duly executed and filed with the retirement board his accumulated deductions, and, in addition, the present value of a State annuity beginning at superannuation retirement age and calculated in accordance with the applicable provisions of section 401 of this article and based upon the final average salary and years of credited service of the deceased contributor and reduced as follows:

(a) In the case of a member of Class T-A whose service shall have been in one class of membership, the present value of the State annuity shall be multiplied by the ratio determined by dividing the number of years of credited service prior to death by twenty-five (25), unless the number of years of service which he would have had to his credit had he continued in service until superannuation retirement age is less than twenty-five (25), in which case, such lesser number of years of service shall be substituted for twenty-five (25) in the denominator of the ratio.

(b) In the case of a contributor who is a member of Class T-A with

credit for multiple service, the present value of the State annuity shall be multiplied by the ratio determined by dividing the number of voluntary withdrawal credits to his credit at the date of death by one hundred (100), unless the number of voluntary withdrawal credits which he would have to his credit had he continued in service until superannuation retirement age is less than one hundred (100), in which case, such lesser number of withdrawal credits shall be substituted for one hundred (100) in the denominator of the ratio.

(3) Should a contributor who is not eligible for retirement in accordance with the provisions of subsections (1), (2) and (2.1) of this section die before retirement, his accumulated deductions shall be paid to his estate or to such person as he shall have nominated by written designation, duly executed and filed with the retirement board.

Section 17. Subsections (6) and (7) of section 503 of the act are amended to read:

Section 503. Duties of the Retirement Board.—

* * *

(6) In every case where the retirement board has received an application for a disability [allowance] supplement or a withdrawal allowance based upon discontinuance of service due to physical or mental incapacity for the performance of duty from a contributor or from a person acting in his behalf, the retirement board shall designate a physician or physicians to examine such contributor at the place of his residence or at a place mutually agreed upon. A disability [allowance] supplement or a withdrawal allowance based upon discontinuance of service due to physical or mental incapacity for the performance of duty shall not be approved unless such physician or physicians shall certify to the retirement board that said contributor is physically or mentally incapacitated for the performance of duty.

(7) Once each year the retirement board may require any [disability] annuitant receiving a disability allowance or a disability supplement while still under age sixty-two (62), to undergo medical examination by a physician or physicians designated by the retirement board, such examination to be made at the place of residence of the beneficiary or other place mutually agreed upon.

* * *

Section 18. Subsections (9.2) and (9.3) of section 503 of the act, added August 4, 1959 (P. L. 599), are amended to read:

Section 503. Duties of the Retirement Board.—

* * *

(9.2) Upon notification by the State Employees' Retirement Board that a former contributor has applied for a superannuation retirement allowance, withdrawal allowance or disability [allowance] supplement or has made application for a death benefit according to provisions of article IV. section 407 subsection (1) of the State Employees' Retirement Code, the retirement board shall certify to the State Employees' Retirement Board the total credited service in the Public School Employees' Retirement System of such former contributor and the class of membership to which such service is attributable.

(9.3) Upon notification from the State Employees' Retirement Board that the application of a former contributor for a superannuation retirement allowance, withdrawal allowance or disability [allowance] supplement or the application of a beneficiary of a former contributor for a death benefit according to the provisions of article IV. section 407 subsection (2) of the State Employees' Retirement Code has been approved, the retirement board shall transfer to the State Employees' Retirement Board the accumulated deductions standing to his credit in the employes' annuity savings account and the State annuity reserve standing to his credit in the contingent reserve account.

* * *

Section 19. Section 503 of the act is amended by adding after subsection (10.1), two new subsections to read:

Section 503. Duties of the Retirement Board.—

* * *

(10.2) The board, upon receipt of a request from an annuitant pursuant to the provisions of section 506, shall request certification in accordance with section 504, subsection (10), and upon receipt of such certification compute the amount of contributions which the employe, school district, and the Commonwealth would have made for periods of absence for the observance of religious holidays and the accrued interest thereon, and shall certify such amount of back contributions with interest to the annuitant. Upon receipt of payment of such amount of back contributions with interest, the board shall recompute the annuitant's retirement allowance without reduction in final average salary due to loss of compensation while absent for the observance of religious holidays, and any resulting change in the retirement allowance

shall be paid retroactive to the date of the annuitant's retirement.

(10.3) In the case of any contributor who elected dual coverage under the provisions of the act of August 27, 1963 (P. L. 1287) and who has not completed the payments agreed upon, the board, at such contributor's request, shall extend the payment period to accord with the period provided by section 302 (2.1).

* * *

Section 20. Subsection (10) of section 504 of the act, added August 27, 1963 (P. L. 1287), is amended to read:

Section 504. Duties of Employers.—* * *

(10) Each employer shall advise each employe who is eligible of his right to make an election to become a member of the dual coverage group, regardless of any prior election not to become a member of the dual coverage group.

Section 21. Section 504 of the act is amended by adding at the end thereof, a new subsection to read:

Section 504. Duties of Employers.—

* * *

(11) Each employer shall, upon request of the board, certify to the board the dates of an annuitant's absences for the purpose of observing religious holidays and the reductions in salary attributable to such absences.

Section 22. Subsections (3), (6) and (9) of section 505 of the act, subsection (9) added August 27, 1963 (P. L. 1287), are amended to read:

Section 505. Duties of School Employes.—

* * *

(3) Any school employe who desires to receive credit for out-of-state service as provided by article II. section 207, shall make application, in writing, to the retirement board and shall—(i) submit proof satisfactory to the retirement board of all or part of such service, (ii) file an affidavit in the form prescribed by the retirement board stating that he is not entitled to a deferred retirement allowance for such service, and in the case of school employes becoming contributors after that, he has not forfeited any vested right to a deferred retirement allowance for such service, and (iii) pay or agree to pay the back contributions provided for in article III. section 302 subsection (5). [Such application shall be made within three (3) years after the applicant becomes a contributor

or in the case of applicants who are members on September 1, 1957, on or before October 1, 1960.]

Any school employe who desires to make additional contributions on account of out-of-state service in accordance with the provisions of article III, section 302 subsection (5) (b), shall submit satisfactory proof of such service to the retirement board.

* * *

(6) Each school employe who has at least ten (10) school years of school service, who is under superannuation retirement age and who desires to receive disability [allowance] supplement or withdrawal allowance based upon discontinuance of service due to physical or mental incapacity for the performance of duty shall file an application with the retirement board or such application may be made by a person acting in his behalf or by the employer of such school employe.

* * *

(9) Each school employe who is or becomes eligible for membership in the dual coverage group and who desires such membership shall file an election with the retirement board in accordance with the provisions of section 203 subsection (3). The filing of an election not to become a member of the dual coverage group shall not preclude the subsequent filing of an election to become a member of the dual coverage group.

Section 23. The act is amended by adding after section 505 thereof, a new section to read:

Section 506. Duties of Annuitants.

(1) Once each six (6) months while under superannuation retirement age, any annuitant receiving a disability supplement shall file with the board a physician's certification that he is physically or mentally incapacitated for the performance of duty.

(2) Any annuitant who has retired after June 1, 1964 and who desires to have his retirement allowance recomputed without reduction in final average salary due to absences for the observance of religious holidays shall apply to the board on or before December 31, 1965. Upon receipt of certification of the amount of required back contributions with interest as computed by the board in accordance with the provisions of section 503, subsection (10.2), the annuitant shall pay into the fund such

amount within sixty (60) days thereafter.

Section 24. Section 803 of the act, amended August 4, 1959 (P. L. 599), is amended to read:

Section 803. Exemption from Execution.—The right of a person to a member's annuity, a State annuity, or retirement allowance, to the return of contributions, any benefit or right accrued or accruing to any person under the provisions of this act and the moneys in the fund, are hereby exempt from any State or municipal tax, and exempt from levy and sale, garnishment, attachment or any other process whatsoever, and shall be unassignable, except as in this act specifically otherwise provided, and except that the assignment of any or all rights as security for a loan not in excess of [three hundred dollars (\$300.00)] seven hundred fifty dollars (\$750.00) made by a member with an organization or credit union whose officers are certified as teachers shall be valid: Provided, however, That the interest rate shall not exceed that permitted by law for such organization or credit union.

Section 25. This act shall take effect immediately.

APPROVED—The 9th day of July, A. D. 1965.

WILLIAM W. SCRANTON

No. 116

AN ACT

HB 159

Providing for the use of eye protective devices by persons engaged in hazardous activities or exposed to known dangers in schools, colleges and universities.

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

Section 1. Every teacher, student, visitor, spectator, and every other person in any shop or laboratory in public or private schools, colleges and universities who is engaged in or is within the area of known danger created by

- (1) the use of hot liquids, solids or gases, or caustic or explosive materials, or
- (2) the milling, sawing, turning, shaping, cutting, grinding or stamping of solid materials, or
- (3) the tempering, heat treatment or kiln firing of metals and other materials, or