

No. 556

AN ACT

Amending the act of June twenty-seven, one thousand nine hundred twenty-three (Pamphlet Laws 858), entitled "An act establishing a State employes' retirement system, and creating a retirement board for the administration thereof; establishing certain funds from contributions by the Commonwealth and contributing State employes, defining the uses and purposes thereof and the manner of payments therefrom, and providing for the guaranty by the Commonwealth of certain of said funds; imposing powers and duties upon the heads of departments in which State employes serve; excepting annuities, allowances, returns, benefits, and rights from taxation and judicial process; and providing penalties", extending the benefits of the act to employes of institutions of political subdivisions acquired by the Commonwealth for use as hospitals or sanatoriums in the care and treatment of indigent persons.

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

Section 1. Clauses (6) and (9) of section one, act of June twenty-seven, one thousand nine hundred twenty-three (Pamphlet Laws 858), entitled "An act establishing a State employes' retirement system, and creating a retirement board for the administration thereof; establishing certain funds from contributions by the Commonwealth and contributing State employes, defining the uses and purposes thereof and the manner of payments therefrom, and providing for the guaranty by the Commonwealth of certain of said funds; imposing powers and duties upon the heads of departments in which State employes serve; excepting annuities, allowances, returns, benefits, and rights from taxation and judicial process; and providing penalties," amended January fourteen, one thousand nine hundred fifty-two (Pamphlet Laws 1911) are amended to read:

Section 1. Be it enacted, &c., That 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:

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6. "State employe" shall mean any person holding a State office or position under the Commonwealth of Pennsylvania, employed and paid on a yearly or monthly basis by the State Government of the Commonwealth of Pennsylvania, in any capacity whatsoever; and shall include also any attorney, solicitor, investigator, appraiser, and clerk employed by the year or by the month in the office of any register of wills, howsoever appointed, whose compensation is actually paid from Commonwealth moneys; and shall also include all judges of the several courts of this Commonwealth whose salaries are paid by the Commonwealth, and also all clerks and

State employes' retirement system.

Clauses (6) and (9), section 1, act of June 27, 1923, P. L. 858, amended January 14, 1952, P. L. 1911, are further amended.

secretaries employed by judges and paid on a yearly or monthly basis by such judges from moneys appropriated by the Commonwealth for such purposes; and also all persons employed by the State Board of Law Examiners of the Supreme Court of Pennsylvania; and also all present, future, or former members of the General Assembly, who receive, or have received, their salaries for regular and special sessions of the Legislature as fixed by law, and also all officers and employes of the Pennsylvania State College paid on a yearly or monthly basis, other than those paid wholly from Federal funds; also all employes of any single county department of health or any joint county department of health created under the Local Health Administration Law, being Act No. 315 approved August 24, 1951, paid on a yearly or monthly basis; and also all officers and employes of the Interstate Commission on the Delaware River Basin, and of the Pennsylvania Turnpike Commission, as of the date of entering the service of such commissions, and of the Delaware River Joint Commission and the Delaware River Joint Toll Bridge Commission, The State Public School Building Authority, The General State Authority and of The State Highway and Bridge Authority paid on a yearly or monthly basis, if the Interstate Commission on the Delaware River Basin and the Delaware River Joint Commission, the Delaware River Joint Toll Bridge Commission, the Pennsylvania Turnpike Commission, The State Public School Building Authority, The General State Authority and The State Highway and Bridge Authority shall agree to contribute and contributes to the State Employes' Retirement Fund, from time to time, the moneys required to build up the reserves necessary for the payment of the State annuities of such officers and employes without any liability on the part of the Commonwealth to make appropriations for such purposes, and also, but only for the purposes of this act, all officers and employes of any separate independent public corporation created by act of Assembly (not including, however, any municipal or quasi-municipal corporation) who, immediately prior to their employment by such public corporation, were employes of the Commonwealth, so long as they remain officers or employes of such public corporation, if such public corporation shall agree to contribute and contributes to the State Employes' Retirement Fund, from time to time, the moneys required to build up the reserve necessary for the payment of the State annuities of such officers and employes without any liability on the part of the Commonwealth to make appropriations for such purposes. But the term "State employe" shall not include those persons defined as employes in section one, paragraph seven of the act,

approved the eighteenth day of July, one thousand nine hundred and seventeen (Pamphlet Laws 1043), entitled "An act establishing a public school employes' retirement system, and creating a retirement board for the administration thereof; establishing certain funds from contributions by the Commonwealth and contributing employes, defining the uses and purposes thereof and the manner of payments therefrom, and providing for the guaranty by the Commonwealth of certain of said funds; imposing powers and duties upon boards having the employment of public school employes; exempting annuities, allowances, returns, benefits, and rights from taxation and judicial process; and providing penalties," as amended by section one, paragraph seven of the act, approved the twenty-first day of April, one thousand nine hundred and twenty-one (Pamphlet Laws 245), excepting such officers and employes of the Department of Public Instruction, State Teachers' Colleges, Thaddeus Stevens Trade School, Pennsylvania State Oral School for the Deaf and Pennsylvania Soldiers' Orphan School as are not members of or who may withdraw from the public school employes' retirement association provided by said act; and no member shall be deprived of credit for prior service as a State employe because of the fact that such service was rendered while he or she was a member of the public school employes' retirement association and that all service credited as a member of the public school employes' retirement system will be considered as having been rendered as a State employe. The rates of deduction from salaries of such officers and employes to the State Employes' Retirement Fund shall be determined by the age at which the employe began to contribute to the Public School Employes' Retirement Fund.

The term "State employe" shall also include all State officers and employes regularly employed by the year or by the month at a fixed annual or monthly compensation when the General Assembly is not in session, but, who during a legislative session, instead of a fixed annual or monthly salary or compensation are paid upon a per diem basis or by a fixed salary or compensation from the legislative session, or who receive no fixed annual or monthly salary but are paid only upon a per diem basis during legislative sessions and subsequent thereto.

Employes of the respective institutions acquired by the Commonwealth from counties, cities, wards, boroughs, townships, institution districts and other political subdivisions, that are actually used as State mental hospitals under the provisions of the act, approved the twenty-ninth day of September, one thousand nine hundred thirty-eight (Pamphlet Laws 53), or its

amendments, or are actually used as a State sanatorium or hospital for the reception and treatment of indigent persons affected with tuberculosis or in need of other hospital treatment, who, as of the effective date of this act, are contributors or who, on or before the thirty-first day of May, one thousand nine hundred [fifty-two] fifty-seven, become contributors to this fund shall for the purposes of this act be deemed to have been "State employes" from the time they first entered the employ of such institution, county, city, ward, borough, township, institution district or other political subdivision, even though the same may have been prior to the acquisition of the institution by the Commonwealth, if such employe shall pay to the retirement association a sum equal to all the back payments which such employe would have made had he or she become a member of the retirement association at the time he or she was first employed by such institution or political subdivision. Such back payments may be spread over a period of years by having the regular payroll deduction of * such employe increased by not less than one-third of the amount thereof, which deduction increase, shall be credited to such back payments owing, and shall be continued until the amount thereof shall be paid in full, unless such member is retired under the provisions of this act before such back payments have been completed. Any such deduction increase may be anticipated in full by the member at any time, and shall be anticipated in full at the time of retirement before a retirement allowance is granted. If not so anticipated, then the member's annuity shall be calculated on the total accumulated deductions standing to his credit and his State annuity shall be reduced by an amount equivalent to the reduction which occurs in the member's annuity due to the amount of the back payments not so anticipated.

The term "State employe" shall also include State officers and employes regularly employed on a per diem or hourly basis, or partly at a fixed annual or monthly salary and partly on a per diem or hourly basis. Regular employment shall not be construed to include employment of less than one hundred days or seven hundred fifty hours in any year. In all cases of doubt the retirement board shall determine whether any person is a State employe as defined in this paragraph, and its decision shall be final.

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9. "Original member" of the retirement association shall mean a State employe who was at anytime a State employe prior to January first, one thousand nine hun-

* "of" in original.

dred twenty-five, whether or not such employment has been continuous, and who shall have become a member of the retirement association on or before May thirty-first, one thousand nine hundred fifty-two, or any State employe who is an employe of any of the respective institutions acquired by the Commonwealth from any county, city, ward, borough, township, institution district or other political subdivision for actual use as a State mental hospital, under the provisions of the act, approved the twenty-ninth day of September, one thousand nine hundred thirty-eight (Pamphlet Laws 53), or its amendments, *or for actual use as a State sanatorium or hospital for the reception and treatment of indigent persons affected with tuberculosis or in need of other hospital treatment*, who was at any time an employe of such institution, *county, city, ward, borough, township, institution district or other political subdivision*, prior to January first, one thousand nine hundred twenty-five, whether or not such employment has been continuous and who shall have become a member of the retirement association on or before [December thirty-first, one thousand nine hundred forty-nine,] *the thirty-first day of May, one thousand nine hundred fifty-seven*, or in any case where subsequent to such date, the definition of "State employe" has been changed so as to include additional persons not previously classed as State employes, or persons not classed as State employes at the time of entering the service of the State but who later became State employes, as defined in this act, because of a change in employment or method of compensation, if any such person shall have become a member of the retirement association on or before the thirty-first day of December next following the effective date of the act under the provisions of which he was enabled to become a member of the association, and he expressly elects to become an "original member."

Any such State employe, who shall become an original member of the association after the approval of this amendment, including those who, having heretofore become a new member thereof, shall become an original member under the provisions hereof, shall pay to the retirement association a sum equal to all the back payments which such person would have made had he or she become a member of the retirement association when the retirement system was established.

Where back payments are based on hourly or per diem wages, and wage records are not available for the entire time of the person's employment, the deductions for the period for which records are not available shall be computed by using the average of the earliest two year period for which records are available.

Such back payments may be spread over a period of years, by having such regular payroll deduction of such person increased by not less than one-third of the amount thereof, which deduction increase shall be credited to such back payments owing and shall be continued until the amount thereof shall be paid in full, unless such member retired under the provisions of this act before such back payments have been completed. Any such deduction increase may be anticipated in full by the member at any time, and shall be anticipated in full at the time of retirement before a retirement allowance is granted, and if not so anticipated, then the member's annuity shall be calculated on the total accumulated deductions standing to his credit, and his State annuity shall be reduced by an amount equivalent to the reduction which occurs in the member's annuity due to the amount of the back payments not so anticipated.

Original member of the retirement association shall also mean any judge in service on the second Monday of January, one thousand nine hundred thirty, who shall elect to become a member of the retirement association at any time during the term for which he was then elected or appointed, and any person hereafter elected or appointed a judge who, at the time of his election or appointment, is an original member of the retirement association, or who was retired, voluntarily or involuntarily, as an original member, and is, at the time of his election or appointment as a judge, receiving a retirement allowance as an original member.

Original member of the retirement association shall also mean any person employed on the effective date of this amendment by the State Board of Law Examiners of the Supreme Court of Pennsylvania who has been continuously so employed since January first, one thousand nine hundred and forty, and who on the effective date of this amendment is a contributor.

Original member of the retirement association shall also mean any person who is a member of the General Assembly on the first day of September, one thousand nine hundred forty-seven, and who shall elect on or before December thirty-first, one thousand nine hundred and forty-seven, to become a member of the retirement association as of January first, one thousand nine hundred and forty-seven, and any person who is a member of the General Assembly on the first day of September, one thousand nine hundred forty-nine and who shall elect, on or before December thirty-first, one thousand nine hundred forty-nine, to become a member of the retirement association as of January first, one thousand nine hundred forty-nine, and any person who is a mem-

ber of the General Assembly on the first day of September, one thousand nine hundred fifty-one, and who shall elect, on or before the thirty-first day of May, one thousand nine hundred fifty-two, to become a member of the retirement association as of the first day of January, one thousand nine hundred fifty-one.

Original member of the retirement association shall also mean any person who was formerly a member of the General Assembly and who on the first day of September, one thousand nine hundred forty-nine, or who, on the first day of September, one thousand nine hundred fifty-one, is a contributor.

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APPROVED—The 21st day of May, A. D. 1956.

GEORGE M. LEADER

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No. 557

AN ACT

Amending the act of April twenty-six, one thousand eight hundred fifty-five (Pamphlet Laws 328), entitled "An act relating to Corporations and to Estates held for Corporate, Religious and Charitable uses", authorizing the investment of funds of foreign trusts by certain foreign corporate fiduciaries in real estate in the Commonwealth of Pennsylvania.

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

Section 1. Section five, act of April twenty-six, one thousand eight hundred fifty-five (Pamphlet Laws 328), entitled "An act relating to Corporations and to Estates held for Corporate, Religious and Charitable uses," is amended to read:

Section 5, act of April 26, 1855, P. L. 328, amended.

Section 5. That *except as hereinafter provided*, no corporation other than such as shall have been incorporated under the laws of this state, nor shall any foreign government, potentate or power, hereafter acquire and hold any real estate within this commonwealth directly, in the corporate name, or by or through any trustee or other device whatsoever, unless specially authorized to hold such property by the laws of this commonwealth: Provided, That the residence without the limits of this state of a portion of the members of any religious, literary, charitable or beneficial society, or association otherwise qualified to hold real or personal estate within this state, shall not incapacitate such society or association from taking and holding such property, not exceeding the value limited by law.

Holding of real estate by foreign governments and corporations regulated.

Proviso.