

replanning, *relocation* and redevelopment activities of an authority, the Commonwealth or any State public body may, upon such terms, with or without consideration as it may determine—

(a) Dedicate, sell, convey or lease any of its property to a redevelopment authority;

(b) Cause parks, playgrounds, recreational or community facilities, or any other works, which it is otherwise empowered to undertake, to be furnished in or adjacent to any area selected for redevelopment;

(c) Furnish, dedicate, close, pave, install, grade, regrade, plan or replan streets, roads, roadways, alleys, sidewalks or other places which it is otherwise empowered to undertake;

(d) Enter into agreements, extending over any period, with a redevelopment authority or with the Federal government respecting action to be taken by the Commonwealth or such State public body pursuant to any of the powers granted by this act; and

(e) Do any and all things necessary or convenient to aid and cooperate in the redevelopment undertaken by a redevelopment authority;

(f) In connection with any public improvements made by the Commonwealth or a State public body in exercising the powers herein granted, the Commonwealth or such State public body, may incur the entire expense thereof;

(g) The Secretary of Property and Supplies is authorized with the approval of the Governor and the Attorney General, to execute and deliver on behalf of the Commonwealth, conveyances, deeds and leases authorized under the provisions of subsection (a) of this section.

APPROVED—The 1st day of December, A. D. 1959.

DAVID L. LAWRENCE

No. 605

AN ACT

Amending the act of June 1, 1959 (P. L. 392), entitled "An act relating to the retirement of State employes; amending, revising, consolidating and changing the laws relating thereto," changing contributions and credit provisions relating to the Chief Justice and judges of the Supreme Court under certain circumstances; further providing for computation of withdrawal \*allowances for members of Class E, who serve on the Supreme or Superior Courts; providing for multiple service credit in the case of certain members of the General Assembly; changing the income limitation for disability annuitants and providing

\* "allowances" in original.

a death benefit after ten years of service in certain cases; regulating payment by the retirement board to credit unions in certain cases and restricting assignment of rights after payment for default.

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

State Employees' Retirement Code of 1959.

Section 1. Paragraph (c.1) of subsection (2) of section 301, act of June 1, 1959 (P. L. 392), known as the "State Employees' Retirement Code of 1959," added August 4, 1959 (Act No. 203) is amended to read:

Paragraph (c.1), subsection (2), section 301, act of June 1, 1959, P. L. 392, added August 4, 1959, Act No. 203, amended.

Section 301. Members' Contributions on Account of Current Service.—

\* \* \* \* \*

(2) The deductions from salaries in accordance with subsection (1) of this section shall be subject to the following conditions:

\* \* \* \* \*

(c.1) In the case of a former contributor to the Public School Employees' Retirement System who becomes a State employe and a contributor and who has accumulated deductions to the credit of the employes' annuity savings account in the Public School Employees' Retirement Fund or who shall have agreed as of the date of becoming a contributor to restore his accumulated deductions to the employes' annuity savings account in a manner agreed upon by the employe and the Public School Employees' Retirement Board, the rate of deduction from compensation shall be determined on the basis of the age which was used to determine the rate of contribution to the Public School Employees' Retirement Fund prior to separation from the Public School Employees' Retirement System.

*In the case of members of the General Assembly on September 1, 1959, who are contributors and all future members of the General Assembly, who become contributors and who file a notice of election as provided for in subsection (6) section 506 of this code, the rate of deduction from compensation shall be determined on the basis of the age which was used to determine the rate of contribution to the Public School Employees' Retirement Fund.*

\* \* \* \* \*

Section 2. Clause (e) of subsection (1) of section 301 of the act is amended to read:

Clause (e), subsection (1), section 301, act of June 1, 1959, P. L. 392, amended.

Section 301. Members' Contributions on Account of Current Service.—

(1) \* \* \*

(e) A member of Class E shall, beginning July 1, 1957,

be required to contribute during the first ten (10) years of service as a judge at double rate of contribution required of a member of Class A and during the remainder of his service as a judge at one and one-half ( $1\frac{1}{2}$ ) times the rate of contribution required of such member: *Provided, That a judge of the Supreme Court, who has had no other State judicial service and who was not a contributor to the State Employes' Retirement System at the time of assuming the office of judge of the Supreme Court, may, within thirty days of the effective date of this amendment or thereafter within thirty days of his assuming the office of judge of the Supreme Court, elect to contribute thereafter two and one-eighth ( $2\frac{1}{8}$ ) times the rate of contribution required of a member of Class A during the first sixteen (16) years of his service on said court and at one and five-eighths ( $1\frac{5}{8}$ ) times the rate of contribution required of a member of Class A during the remainder of his service on said court.*

Clause (e), subsection (1), section 401, act of June 1, 1959, P. L. 892, amended.

Section 3. Clause (e) of subsection (1) of section 401 of the act is amended to read:

Section 401. Superannuation Retirement Allowances.—

(1) \* \* \*

(e) The superannuation retirement allowance of a member of Class E, who has served at least one (1) full elective term or ten (10) years in the aggregate as a judge continuously or otherwise, shall consist of a combined member's annuity and State annuity equal to four one-hundredths ( $4/100$ ) of his final average salary for each year of service during his first ten (10) years as judge, and thereafter equal to three one-hundredths ( $3/100$ ) thereof for each such year of service: *Provided, That the superannuation retirement allowance of a judge of the Supreme Court, who has had no other State judicial service and who has elected to contribute at the highest rate provided for in clause (e) of subsection (1) of section 301 hereof, shall consist of a combined member's annuity and State annuity equal to five one-hundredths ( $5/100$ ) of his final average salary for each year of service during the first sixteen years as a member of that court, and thereafter equal to four one-hundredths ( $4/100$ ) thereof for each subsequent year of service as a member of that court.* The total superannuation retirement allowance payable to a member of Class E, after election of an option as provided in section 404 of this article, shall not exceed eighty (80) percent of his final average salary.

Clause (b), subsection (2.1), section 402, of the act, added August 4, 1959, Act No. 203, amended.

Section 4. Clause (b) of subsection (2.1) of section 402 of the act, added August 4, 1959 (Act No. 203), is amended to read:

Section 402. Withdrawal Benefits.—

\* \* \* \* \*

(2.1) A contributor who is a member of the single coverage group, who has credit for multiple service, whose service is discontinued voluntarily or involuntarily before reaching the superannuation retirement age for any of such classes and who applies for a withdrawal allowance, shall receive a voluntary or involuntary withdrawal allowance in accordance with the following provisions:

\* \* \* \* \*

(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)
	<b>State Employees' Retirement System</b>	
A	4	10
B	4	10
C	4	10
D	10	10
E	5	10
<b>Public School Employees' Retirement System</b>		
T-A	4	10
T-B	0	0

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 withdrawal credits determined with reference to columns (1) and (3) shall be added. *In the case of a member of Class E who serves on the Supreme or Superior Court, any service as a member of the General Assembly completed prior to January 1, 1947, shall be credited for the purpose of accumulating voluntary withdrawal credits as service as a member of Class D.*

\* \* \* \* \*

Subsection (4). Section 5. Subsection (4) of section 405 of the act section 405 of amended. the act, amended. is amended to read:

Section 405. Disability Allowances.—

\* \* \* \* \*

(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, and should the retirement board concur in such report, then the disability allowance shall be discontinued, or should such physician or physicians thereupon report and certify to the retirement board that such disability annuitant is able to engage in a gainful occupation, and should the retirement board concur in such report, then the disability annuitant's present salary or wages shall be ascertained and he shall continue to receive a disability allowance, but the sum of the disability allowance and the disability annuitants present salary or wages shall in no event exceed [three hundred fifty dollars \*(\$350.00) per month] *the last year's salary of the annuitant as a State employe or five thousand dollars (\$5,000), whichever is greater.*

Section 407 of the act, amended by adding a new subsection (3.1).

Section 6. Section 407 of the act is amended by adding, after subsection (3), a new subsection to read:

Section 407. Death Benefits.—

\* \* \* \* \*

(3.1) *Should a contributor 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 A, Class B or Class C, whose entire 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 to his credit had he con-*

\* "(\$350,000)" in original.

*tinued 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 member of Class E whose entire 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 (20), unless the number of years of service which he would have to his credit had he continued in service until superannuation retirement age is less than twenty (20), in which case such lesser number of years of service shall be substituted for twenty (20) in the denominator of the ratio.*

*(c) In the case of a contributor 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 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.*

\* \* \* \* \*

Section 7. Subsection (4) of section 407 of the act is amended to read:

Subsection (4),  
section 407 of  
the act, amended.

Section 407. Death Benefits.—

\* \* \* \* \*

(4) Should a contributor, who is not eligible for retirement in accordance with the provisions of subsection (1), [and] (2) and (3.1) of this section, die before retirement, his accumulated deductions shall be paid to such person as he shall have nominated by written designation duly executed and filed with the retirement board. In case any contributor has failed to nominate a beneficiary or the beneficiary nominated shall have died prior to the death of the contributor and, in either event, the amount of his accumulated deductions is less than one hundred dollars (\$100.00), the retirement board may, if letters testamentary or of administration have not been taken out on the estate of such contributor within six (6) months of death, pay such accumulated deductions on the claim of the undertaker or any person or persons or political subdivision, who or which shall have paid the claim of the undertaker.

\* \* \* \* \*

Section 506 of the act amended by adding a new subsection (6).

Section 8. Section 506 of the act is amended by adding, at the end thereof, a new subsection to read:

Section 506. Duties of State Employees.—

\* \* \* \* \*

(6) *Any contributor who is a member of the General Assembly on September 1, 1959, who is a contributor to the Public School Employees' Retirement System and who desires to become a contributor with credit for multiple service, shall give notice to the Public School Employees' Retirement Board of his election to the General Assembly and of his membership in the State Employees' Retirement System prior to the expiration of his current term of office.*

*Any contributor to the Public School Employees' Retirement System, who becomes a member of the General Assembly subsequent to September 1, 1959, and who was not a member of the General Assembly on September 1, 1959, and who joins the State Employees' Retirement System, shall file notice of his election to the General Assembly and of his membership in the State Employees' Retirement System with the Public School Employees' Retirement Board as of the date he joins the State Employees' Retirement System.*

Section 803 of the act, amended.

Section 9. Section 803 of the act 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 created under this act, 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 with the further exception that the assignment of any or all such rights as security for a loan [not in excess of] *and interest and/or fines thereon the principal of such loan not to exceed three hundred dollars (\$300.00), the interest on which loan shall not exceed six (6) percent per annum discounted by a person to a credit union now or hereafter organized and incorporated under the laws of the Commonwealth, the membership of which credit union is limited solely to officers and employes of the Commonwealth, shall be valid.*

*If any or all such rights of a person have been assigned as security for a loan from a credit union as herein authorized, the amount of the loan and any \*fine or interest due thereon shall be paid by the retirement*

\* "fine" in original.

*board to the credit union, (1) if the person obtaining the loan shall have been in default in required payments for a period of not less than two years, or (2) at such time as the Department of Banking shall require the credit union to charge the amount of the loan against the reserve fund of such credit union. Any person who shall have pledged such rights as security for a loan from a credit union and, on whose behalf the retirement board shall have made any payment by reason of that person's default, may not thereafter pledge or assign such rights to a credit union.*

Section 10. This act shall take effect immediately.

Act effective immediately.

APPROVED—The 1st day of December, A. D. 1959.

DAVID L. LAWRENCE

—  
No. 606

AN ACT

To provide for the incorporation of Business Development Credit Corporations to assist, promote, encourage, develop and advance the business prosperity and economic welfare of the Commonwealth; defining the powers, restrictions, limitations, purposes and functions of such corporations; conferring powers on certain corporations and financial institutions in connection therewith, and conferring certain powers on the Department of Banking.

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