

original members of the board, one member of the bar and one justice of the peace or alderman shall be appointed for terms of three years, one member of the bar, one justice of the peace or alderman and one lay citizen shall be appointed for terms of four years, and one member of the bar, one justice of the peace or alderman and one lay citizen shall be appointed for terms of five years, and until their successors have been appointed and qualified. Thereafter, each such appointment shall be for a term of five years or until a successor is appointed and qualified. Five members of the board shall constitute a quorum, and no action of the board shall be valid unless it shall have the concurrence of at least five members. The Administrative Board shall prescribe or approve the subject matter and shall approve the examination for the course of instruction and training to be provided under the auspices of the Department of Public Instruction or other person or persons approved by the Department of Public Instruction. The Department of Public Instruction or other person or persons approved by it shall have a course of instruction and training available at all times in order that any person elected or appointed to the office of justice of the peace or alderman shall be able to take the course immediately after their election or appointment.

Section 5. At the completion of said course of training and education, the Administrative Board shall issue a certificate certifying that the person taking the course of training and education is qualified to perform his duties under this act. Such certificate shall be in a form prescribed by the Administrative Board and shall be filed in the Office of the Prothonotary of the county in which the justice of the peace or alderman resides.

The cost of said course shall be at the expense of the Commonwealth.

Section <sup>1</sup> 6. This act shall take effect immediately.

APPROVED—The 19th day of January, A. D. 1968.

RAYMOND P. SHAFER

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No. 451

AN ACT

SB 818

Amending the act of June 15, 1961 (P. L. 373), entitled "An act providing for the imposition of certain taxes upon the transfer of property passing from a decedent who was a resident of the Commonwealth at the time of his death or presumed death and of property having its situs in the Commonwealth of a decedent who was a nonresident of the Commonwealth at the time of his death or presumed death; imposing additional taxes to equal Federal Estate Tax Credits; defining and taxing certain transfers made in contemplation of death, or to take effect in possession or

<sup>1</sup> "7" in original.

enjoyment at or after death; defining as a transfer and taxing the right of survivorship in certain property as to which such right exists; defining and exempting from tax, transfers to certain persons or for certain purposes or of certain property; providing for the valuation of property and interests in property, the transfer of which is subject to tax; defining and allowing deductions from the value of property, the transfer of which is subject to tax, providing for the persons ultimately liable for taxes in the absence of a direction by the decedent to the contrary; providing for the reporting of transfers and collection of taxes; imposing penalties upon banks or other financial institutions for failure to give notice to the Department of Revenue of the death of a party to a joint or trust deposit therein and upon persons who fail to file tax returns and documents; providing for the compromise of taxes in the case of alleged nonresidents of the Commonwealth, making it unlawful for any person to make a false return or report; providing for liens upon real property, the transfer of which is subject to tax, and release thereof; authorizing the Secretary of Revenue to bring suits in other jurisdictions for the collection of taxes, and authorizing officials of other jurisdictions to bring suits in the Commonwealth for the collection of death taxes imposed by their jurisdictions; providing for the refund of taxes to which the Commonwealth is not rightfully or equitably entitled; providing for appeals and protests from the imposition of taxes; regulating the entry into safe deposit boxes of a decedent by certain persons, and providing penalties; dealing with the jurisdiction, powers and procedure of the orphan's court, Secretary of Revenue, Department of Revenue, Attorney General, and register of wills in matters relating to taxes; and citing certain acts for repeal," exempting from the tax certain employment benefits and providing that a trustee of a pension, stock-bonus, profit-sharing retirement annuity, deferred compensation, disability or death benefit, or other employe benefit plan is not required to deduct the tax.

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

Section 1. Sections 316 and 741, act of June 15, 1961 (P. L. 373), known as the "Inheritance and Estate Tax Act of 1961," are amended to read:

Section 316. Employment Benefits.—Payments under pension, stock-bonus, [or] profit-sharing and retirement annuity plans, to distributees designated by decedent or designated in accordance with the terms of the plan, other than the estate of the decedent, are exempt from inheritance tax to the extent that decedent before his death did not otherwise have the right to possess (including proprietary rights at termination of employment), enjoy, assign or anticipate the payments so made, and, whether or not the decedent possessed such rights, in addition to the above exemption, such payments are also exempt from inheritance tax to the same extent as such payments are exempt from Federal estate tax under the provisions of the Internal Revenue Code of 1954, as amended, any supplement thereto, or any similar provision in effect from time to time for Federal estate tax purposes. The proceeds of life insurance otherwise exempt under section 303 shall not be subject to inheritance tax because they are being paid under a pension, stock-bonus, [or] profit-sharing or retirement annuity plan.

Section 741. Deduction and Collection of Tax.—Subject to the provisions of section 718, every personal representative, or other fiduciary (other than a trustee of a pension, stock-bonus, profit-sharing, retirement annuity, deferred compensation, disability or death benefit, or other employe benefit plan) in charge of or in possession of any property, or instruments evidencing ownership thereof, the transfer of which is subject to a tax imposed by this act other than a tax on a future interest not yet delinquent, shall deduct the tax from the property, if money, or shall collect the tax from the transferee. Any delivery of property or instruments by such fiduciary to a transferee except in accordance with a decree of distribution of the court, shall not relieve him of personal liability for a tax imposed by this act. No personal representative or other fiduciary in charge of or in possession of any property subject to this act shall be compelled to pay or deliver it to the transferee except upon payment to him of the tax due thereon other than tax on a future interest not yet delinquent. If such transferee neglects or refuses to pay the tax, the personal representative or other fiduciary may sell the property subject to the tax, or so much thereof as is necessary, under direction of the court. All money retained by the personal representative or other fiduciary, or paid to him on account of the taxes imposed by this act, shall be remitted by him before the tax becomes delinquent, or if received thereafter, shall be remitted by him promptly upon its receipt.

Section 2. This act shall take effect immediately.

APPROVED—The 20th day of January, A. D. 1968.

RAYMOND P. SHAFER

