

No. 466

AN ACT

To further amend the act, approved the eighteenth day of July, one thousand nine hundred 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," by redefining the term "final salary" and further providing the manner of computing employes' annuities.

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

Section 1. Clause seventeen (17) of section one (1) of the act, approved the eighteenth day of July, one thousand nine hundred 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 last amended by the act, approved the twelfth day of July, one thousand nine hundred thirty-five (Pamphlet Laws 698), is hereby further amended to read as follows:

Definitions.

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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(17) "Final salary" shall mean (I) in the case of a contributor who became a beneficiary before the effective date of this act, whether or not such beneficiary subsequently is restored to school service, the average annual salary, earnable by [a] the contributor as an employe for the ten years of service immediately preceding re-

Public school employes' retirement system.

Clause (17) of section 1, act of July 18, 1917, P. L. 1043, as last amended by act of July 12, 1935, P. L. 698, further amended.

* "meaning" in original.

tirement, except in the case of contributors who were employed during the year which began July first, one thousand nine hundred and thirty-two, and ended June thirtieth, one thousand nine hundred and thirty-three, who have elected to contribute on the basis of salary receivable during said year, in which case such salary shall be included in the computation of "final salary" for the number of years that contributions have been made on the basis of such salary; and (II) in the case of a contributor who first becomes a beneficiary after the effective date of this act and in the case of contributors who became beneficiaries between the first day of May, one thousand nine hundred fifty-one and the effective date of this act, the average annual salary earnable by the contributor as an employe for either the five or the ten years of service immediately preceding retirement, whichever is the greater amount.

Paragraph 6 of section 8, said act, as last amended by act of April 25, 1949, P. L. 752, further amended.

Section 2. Paragraph six (6) of section eight (8) of said act, as last amended by the act, approved the twenty-fifth day of April, one thousand nine hundred forty-nine (Pamphlet Laws 752), is hereby amended to read as follows:

School Employes' Retirement Fund and Accounts.

Section 8.

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6. There shall be credited by the retirement board, to a ledger account to be known as the employes' annuity savings account, the amounts of the accumulated deductions from the salaries of contributors, made under such rules and regulations as the retirement board shall prescribe, as follows:

From the salary of each employe who is a contributor there shall be deducted and paid into the fund created by this act, through the Department of Revenue, such per centum of his or her earnable salary, as shall be computed to be sufficient, with regular interest, to procure for him or her on superannuation retirement [of] at age [of] sixty-two an employes' annuity equal to one one-hundred-sixtieth (1/160) of his or her final salary, *calculated on the basis of the annual salary earnable by a contributor as an employe for the ten years of service immediately preceding retirement*, for each year of service after the thirtieth day of June, one thousand nine hundred nineteen, or to procure for him or her on superannuation retirement at age sixty-two or at the end of thirty-five years of credited service in this Commonwealth, whichever is the earlier, an employe's annuity equal to one one-hundred-fortieth (1/140) of his or her final salary, *calculated on the basis of the annual*

salary earnable by a contributor as an employe for the ten years of service immediately preceding retirement, for each year of service after the thirtieth day of June, one thousand nine hundred nineteen. In the case of each contributor entering or re-entering the retirement system on and after the first day of July, one thousand nine hundred fifty, and also in the case of each contributor originally carrying membership in the one one-hundred-sixtieth (1/160) class who, prior to the first day of July, one thousand nine hundred fifty, has elected and filed with the retirement board such election to transfer to the one one-hundred-fortieth (1/140) class and who contributes, after the first day of July, one thousand nine hundred fifty, the per centum of his or her salary computed to be sufficient for new entrants of the one one-hundred-fortieth (1/140) class as of age attained at nearest birthday of such transferred contributor at the date of transfer: Provided, That in the case of employes who were employed during the year which began July first, one thousand nine hundred and thirty-two and ended June thirtieth, one thousand nine hundred and thirty-three, who have elected to contribute on the basis of salary receivable during said year, such percentage shall be computed on the basis of said salary: And provided, That, in any case, if the deduction so computed shall exceed five per centum of his or her earnable salary, and the employe shall so elect, there shall be deducted five per centum of his or her earnable salary: Provided, however, That these privileges are not available to contributors in the one one-hundred-fortieth (1/140) class: And further provided, That a beneficiary in the one one-hundred-sixtieth (1/160) class restored to school service shall not be permitted to transfer to the one one-hundred-fortieth (1/140) class, nor shall a beneficiary restored to school service be required to contribute at a per centum rate of his or her earnable salary which is greater than the per centum thereof which he or she was required to contribute prior to his or her retirement. The rate per centum of said deduction from salary shall be based on such mortality and other tables as the retirement board shall adopt, together with regular interest, and shall be computed to remain constant during the prospective school service of the contributor.

Section 3. All acts or parts of acts inconsistent herewith are repealed.

Inconsistent
acts repealed.

Section 4. This act shall become effective immediately upon final enactment.

Act effective
immediately.

APPROVED—The 27th day of December, A. D. 1951.

JOHN S. FINE