

[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 except that the assignment of any or all rights as security for a loan not in excess of three hundred dollars (\$300.00) 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 35. This act shall become effective immediately. Act effective immediately.

APPROVED—The 4th day of August, A. D. 1959.

DAVID L. LAWRENCE

No. 203

AN ACT

Amending the act of June 1, 1959 (Act No. 78), entitled "An act relating to the retirement of State employes; amending, revising, consolidating and changing the laws relating thereto," providing for transfer among classes of membership and between retirement systems and for crediting of service and computation of benefits in cases of contributors making such transfers, deleting the limitation on size of State annuities changing service and eligibility requirements for certain members and changing the provisions relating to the effective date of superannuation retirement.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows: State Employes' Retirement Code of 1959.

Section 1. Clause (v) of subparagraph (a) paragraph (6) of section 102, act of June 1, 1959 (Act No. 78), known as the "State Employes' Retirement Code of 1959," is amended to read: Clause (v) subparagraph (a) paragraph (6) section 102, act of June 1, 1959, Act No. 78, amended.

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) "State employe" shall mean a person in one or more of the following categories:

(a) Any person holding a State office or position under the Commonwealth, employed on a yearly or monthly basis by the State government of the Commonwealth, in any capacity whatsoever except any officer or employe employed on a per diem or hourly basis for less than one hundred (100) days or seven hundred fifty

(750) hours other than a legislative employe, and except any officer or employe who has elected membership in the Public School Employes' Retirement System. Such definition shall include, but shall not be limited to—

* * * * *

(v) Any present, future or former member of the General Assembly, who receives or has received a salary for regular and special sessions of the General Assembly as fixed by law: *Provided, That such member of the General Assembly shall not be deemed to be an employe of the Commonwealth for any purpose other than eligibility for membership and benefits under the provisions of this code.*

* * * * *

Section 102 of the act amended by adding a new paragraph (12.1).

Section 2. Section 102 of the act is amended by adding, after paragraph (12), a new paragraph 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:

* * * * *

(12.1) "*Multiple service*" shall mean *nonconcurrent service of a contributor in more than one class of membership in either the State Employes' Retirement System or the Public School Employes' Retirement System, or both, for which credit is allowed under the provisions of this code or the Public School Employes' Retirement Code, or both.*

* * * * *

Paragraph (19) section 102 of the act amended.

Section 3. Paragraph (19) section 102 of the act 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:

* * * * *

(19) "*Final average salary*" shall mean, (i) in the case of State employes other than members of the General Assembly [and] officers and employes of the Pennsylvania State Police *and contributors with credit for multiple service*, the highest average annual compensation received by a contributor as a State employe during any five (5) nonoverlapping periods of twelve (12) consecutive months of contributory service, (ii) in the case of members of the General Assembly six thousand dollars (\$6,000), (iii) in the case of officers and employes of the Pennsylvania State Police, the average

annual compensation earned by a contributor before any deductions have been made and exclusive of maintenance allowances and expenses for the five (5) years of service immediately preceding retirement, or in the event a member has not served five (5) years, the total compensation earned divided by the number of years served.

In the case of any contributor with credit for multiple service, final average salary shall mean the highest average annual compensation received by a contributor as a State employe or a school employe during any five (5) nonoverlapping periods of twelve (12) consecutive months of contributory service.

• • • • •

Section 4. Paragraph (c) subsection (1) section 202 of the act is amended to read :

Paragraph (c) subsection (1) section 202 of the act amended.

Section 202. Classes of Membership.—

(1) Membership in the retirement system shall be comprised of the following classes :

• • • • •

(c) Class C which shall consist of (i) all officers or employes of the Pennsylvania State Police who are contributors as of August 1, 1959, and (ii) all officers or employes of the Pennsylvania State Police having police power who become contributors subsequent to August 1, 1959, and for each of whom a member's annuity is calculated on the basis of one one-hundredth (1/100) of final average salary for each year of service and a State annuity is calculated on the basis of two one-hundredths (2/100) of final average salary for each year of service.

• • • • •

Section 5. Clauses (i) and (iv), paragraph (a) subsection (2) section 202 of the act is amended to read :

Clauses (1) and (iv) paragraph (a) subsection (2) section 202 of the act amended.

Section 202. Classes of Membership.—

• • • • •

(2) The membership of each class defined in subsection (1) of this section shall be divided as follows :

(a) Original members who shall consist of the following :

(i) Any State employe, as defined in article I. section 102 paragraph (6) subparagraph (a), who was at any time a State employe prior [and] to January 1, 1925, whether or not such employment has been continuous and who [became] becomes a contributor [on or before May 31, 1952].

• • • • •

(iv) Any State employe, as defined in article I. section 102 paragraph (6) subparagraph (a) clause (v), who (i) was a member of the General Assembly on September

1, 1947, and who elected on or before December 31, 1947, to become a contributor as of January 1, 1947, or (ii) was a member of the General Assembly on September 1, 1949, and who elected on or before December 31, 1949, to become a contributor as of January 1, 1949, or (iii) was a member of the General Assembly on September 1, 1951, and who elected on or before May 31, 1952, to become a contributor as of January 1, 1951, or (iv) any person who was formerly a member of the General Assembly and who on September 1, 1949, or who on September 1, 1951, was a contributor. In the case of any contributor who, at any time prior to becoming such contributor, has been a member of the General Assembly [or a per diem or other Legislative employe], the period of such service as a member of the General Assembly [or as such per diem or other Legislative employe] shall be included in computing the period of service of such contributor as if he had been an original member.

• • • • •

Paragraph (a) subsection (2) section 202 of the act amended by adding a new clause (iv.1).

Section 6. Paragraph (a) subsection (2) of section 202 of the act is amended by adding, after clause (iv), a new clause to read:

Section 202. Classes of Membership.—

• • • • •

(2) The membership of each class defined in subsection (1) of this section shall be divided as follows:

(a) Original members who shall consist of the following:

* * * * *

(iv.i) In the case of any contributor who at any time prior to becoming such contributor has been a per diem or other Legislative employe, the period of such service as a per diem or other Legislative employe shall be included in computing the period of service of such contributor as if he had been an original member.

• • • • •

Subsection (1) section 203 of the act amended.

Section 7. Subsection (1) of section 203 of the act is amended to read:

Section 203. Joint 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 State employe who shall become a member of the retirement system on a date subsequent to May 28, 1957, or who having become a member on or before such date, shall have filed with the retirement board a written statement

that he elects social security coverage under agreement with the Federal Secretary of Health, Education and Welfare entered into by the Commonwealth for State employes except [and] *any* State employe who is excluded from social security coverage under the provisions of the Federal Social Security Act.

• • • • •

Section 8. Subsection (2) of section 207 of the act is amended to read:

Subsection (2).
section 207 of
the act amended.

Section 207. Credit for Military Service.—

• • • • •

(2) A State employe who is a contributor and who after July 27, 1953, shall, in time of war or armed conflict, enlist or shall at any time enlist to meet his draft obligations or be drafted into active military service, defined as active service in any of the armed services or forces of the United States or of the Commonwealth, shall be considered to be on military leave of absence and shall have his retirement rights determined as if he [was] *were* in the active, continuous and uninterrupted employ of his employer for the period during which he was on military leave of absence, provided that he complies with the provisions of article III, sections 301 and 302. Every military leave of absence shall expire ninety (90) days after the expiration of the first period of an employe's enlistment which expires at a time when the United States is not engaged in a war or armed conflict, or in the case of an employe who was drafted, such leave of absence shall expire ninety (90) days after the expiration of the period for which he was drafted.

• • • • •

Section 9. Section 207 of the act is amended by adding, at the end thereof, a new subsection to read:

Section 207 of
the act amended
by adding a new
subsection (4).

Section 207. Credit for Military Service.—

• • • • •

(4) *Any person who is or shall become a contributor and who shall have been a school employe and a contributor in the Public School Employes' Retirement System for any period prior to the time when such employe volunteered or was called up for service in the armed forces of the United States and who has not received credit for such years of service for retirement purposes, shall be allowed credit for the period during which he was in military service upon his payment to the fund of back contributions according to the provisions of article III, section 302 subsection (2).*

Section 208 of
the act amended.

Section 10. Section 208 of the act is amended to read :

Section 208. Restoration of Service Credits Cancelled at Separation from Service.—

(1) When a contributor ceases to be a State employe his credited service is cancelled if he withdraws his accumulated deductions, but [should he return to State] *if he returns or has returned to service as a State employe and a contributor* [there shall be restored to him the annuity rights] *the credited service* forfeited by him at the time of separation from service [and he shall at retirement be entitled to have full credit for each year of service, if (i) he returns to service within twenty (20) years from the date of his separation from service, and (ii)] *shall be restored in full to him as of the date he shall have restored to the fund, to the credit of the members' annuity savings account in such manner as may be agreed upon by the State employe and the retirement board, his accumulated deductions as they were at the time of his separation. [In the case of any State employe who has heretofore retired or who shall hereafter retire voluntarily or involuntarily and who shall later return to State service, his annuity allowance shall cease upon reentry into State service until subsequent retirement.]*

(2) *When a contributor ceases to be a State employe, his credited service is cancelled, if he withdraws his accumulated deductions, but if he returns or has returned to service as a school employe and a contributor to the Public School Employes' Retirement System, the credited service forfeited by him at the time of separation from service shall be restored in full to him as of the date he shall have restored to the fund his accumulated deductions as they were at the time of his separation in such manner as may be agreed upon by the school employe and the retirement board.*

(3) *Upon application for a benefit under the provisions of article IV. of this code or article IV. of the Public School Employes' Retirement Code, a contributor to the State Employes' Retirement System or to the Public School Employes' Retirement System who has not restored to the fund his accumulated deductions as they were at the time of his separation from service according to the provisions of subsection (1) or (2) of this section, shall receive credit for the portion of the credited service forfeited by him at the time of separation from service computed by dividing the amount of accumulated deductions repaid as of the date of application by accumulated deductions as they were at the time of separation.*

Section 11. Paragraph (c) subsection (2) section 301 of the act is amended to read:

Paragraph (c), subsection (2), section 301 of the act 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) In the case of a State employe who has transferred service credit from prior membership in the Public School Employes' Retirement System, the rate of deduction from compensation shall be determined [by the age at which such employe began to contribute to the Public School Employes' Retirement Fund] *on the basis of the age which was used to determine the rate of contribution to the Public School Employes' Retirement Fund prior to transfer of service credit.*

* * * * *

Section 12. Subsection (2) section 301 of the act is amended by adding, after paragraph (c), a new paragraph to read:

Subsection (2), section 301 of the act amended by adding a new paragraph (c.1).

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 Employes' 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 Employes' 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 Employes' 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 Employes' Retirement Fund prior to separation from the Public School Employes' Retirement System.

* * * * *

Paragraphs (f) and (i), subsection (2) section 302 of the act amended.

Section 13. Paragraphs (f) and (i), subsection (2) section 302 of the act are amended to read:

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

* * * * *

(2) The following members are entitled to make contributions on account of past service according to the provisions of subsection (1) of this section:

* * * * *

(f) A judge who [is] *was* not a member of the retirement system on July 5, 1957, may elect, prior to the expiration of his present term as a judge, to become a new member of the retirement system as of the date when he became a judge upon payment to the fund of back contributions.

* * * * *

(i) A State employe who entered active military service between December 7, 1941, and July 27, 1953, and who does not elect to pay into the fund during the period of his active military service an amount equal to his salary deductions, may, during the period of such active military service [and for a further period of one (1) year] *or at any time* after completion of such active military service *and return to State service*, pay into the fund an amount which shall be equal to the periodic salary deductions multiplied by the number of the pay periods during which he was absent from State employment or State service in active military service to the credit of the members' annuity savings account in such manner as may be agreed upon by the State employe and the retirement board, but in no event shall such payments be made in installments less than sufficient to pay such amount by the time the member attains superannuation retirement age.

* * * * *

Subsection (2), section 302 of the act amended by adding a new paragraph (k).

Section 14. Subsection (2) of section 302 of the act is amended by adding, at the end thereof, a new paragraph to read:

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

* * * * *

(2) The following members are entitled to make contributions on account of past service according to the provisions of subsection (1) of this section:

* * * * *

(k) *Any State employe entitled to credit for military service under the provisions of article II, section 207*

subsection (4) shall pay into the retirement fund (a) an amount equal to the contributions which would have been collected from him had he been in State service during the period he served in the Armed Forces of the United States computed with reference to the compensation he received upon entry into State service and his current percentage of salary deductions, and (b) an additional amount as the equivalent of the contributions of the Commonwealth on account of such military service. Such back payments may be paid in a lump sum or by installments as may be approved by the retirement board.

Section 15. Section 303 of the act is hereby amended to read:

Section 303 of
the act amended.

Section 303. Transfer from Class B to Class A.—

(1) A contributor, whether an original member or a new member (a) who is a member of Class B, or (b) who was a member of Class B and who was separated from State Service [on June 1, 1949], who returns to State service [after that date and rejoins the retirement system] as a contributor, may transfer from Class B to Class A [, provided such transfer is requested, in writing, within sixty (60) days from the date of return to State service]. In the event of such transfer of membership, the percent of salary deductions applicable to such transferred member of Class A shall be based upon the same age of the contributor as was used in determining the percent of salary deduction applicable while a member of Class B.

(2) Any contributor who heretofore has transferred or shall hereafter transfer from Class B to Class A may pay to the retirement board, according to the provisions of section 302 subsection (1) of this article, a sum equal to the difference between the sum of the amounts that would have been deducted from his salary each payroll period had he elected to contribute as a member of Class A and the sum of the amounts actually deducted. Upon completion of such back payments, the entire period of service of such contributor shall be credited as if he had been a member of Class A.

(3) Upon application for a benefit under the provisions of article IV. of this code or article IV. of the Public School Employes' Retirement Code, a contributor to the State Employes' Retirement System or to the Public School Employes' Retirement System, who has not completed such back payments, shall receive credit as a member of Class A for that portion of his Class B service computed by dividing the amount of back payments paid at the date of application by the total amount of back payments required under subsection (2) of this section.

Subsection (1),
section 401 of
the act amended. Section 16. Subsection (1) section 401 of the act is amended to read:

Section 401. Superannuation Retirement Allowances.—

(1) Upon retirement at or after superannuation retirement age, a contributor who is a member of the single coverage group [and] whose entire service shall have been in one class of membership *and who has made application in accordance with the provisions of article V, section 506 subsection (1)*, shall receive a superannuation retirement allowance in accordance with the following provisions:

(a) The superannuation retirement allowance of a member of Class A shall consist of a member's annuity which shall be the actuarial equivalent of his accumulated deductions and a State annuity [. The State annuity] *which* shall consist of the following components [the sum of which shall not exceed fifty (50) percent of his final average salary]:

(i) A basic component of one one-hundredth (1/100) of his final average salary for each year of total credited service.

(ii) An equalizing component equal to the amount, if any, by which the member's annuity is less than the State annuity attributable to contributory service.

(iii) A prior service component applicable to original members of one one-hundredth (1/100) of his final average salary for each year of prior service.

(iv) In the event of superannuation retirement after April 18, 1952, a minimum allowance component equal to the amount, if any, by which the superannuation retirement allowance otherwise payable is less than one thousand two hundred dollars (\$1,200), provided the contributor has twenty-five (25) years or more of credited service in the Commonwealth or if less than twenty-five (25) years of such service, then such proportional amount of one thousand two hundred dollars (\$1,200) as the years of such credited service bear to twenty-five (25) years.

(b) The superannuation retirement allowance of a member of Class B shall consist of a member's annuity which shall be the actuarial equivalent of his accumulated deductions and a State annuity [. The State annuity] *which* shall consist of the following components [the sum of which shall not exceed fifty (50) percent of his final average salary]:

(i) A basic component of one one-hundred-sixtieth (1/160) of his final average salary for each year of total credited service.

(ii) An equalizing component which shall be equivalent to the amount, if any, by which the member's annuity is less than the State annuity attributable to contributory service.

(iii) A prior service component applicable to original members of one one-hundred-sixtieth (1/160) of his final average salary for each year of prior service.

(c) The superannuation retirement allowance of a member of Class C shall consist of a member's annuity which shall be the actuarial equivalent of his accumulated deductions and a State annuity [The State annuity] which shall consist of the following components [the sum of which shall not exceed fifty (50) percent of his final average salary]:

(i) A basic component of two one-hundredths (2/100) of his final average salary for each year of total credited service.

(ii) A prior service component applicable to original members of two one-hundredths (2/100) of his final average salary for each year of prior service.

(iii) An accelerating component equal to the additional member's annuity which the accumulated deductions standing to his credit would purchase if he were age sixty (60) at the time of retirement.

(d) The superannuation retirement allowance of a member of Class D, who is a member of the General Assembly at time of retirement, shall consist of a combined member's annuity and State annuity equal to two and one-half one-hundredths (2½/100) of his final average salary for each year of qualified legislative service as defined in article II, section 202 subsection (1) (d).

(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. 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.

* * * * *

Section 17. Subsection (2) section 401 of the act is repealed.

Subsection (2),
section 401 of
the act repealed.

Section 401 of
the act amended
by adding a new
subsection (1.1).

Section 18. Section 401 of the act is amended by adding, after subsection (1), a new subsection to read:

Section 401. Superannuation Retirement Allowances.—

* * * * *

(1.1) *A contributor who is a member of the single coverage group and becomes eligible for a superannuation retirement allowance while a member of any one class of membership in either the State Employes' Retirement System or the Public School Employes' Retirement System and at that time or thereafter applies for a superannuation retirement allowance in accordance with the provisions of article V. section 506 subsection (1) and at the time of application has credit for multiple service, shall receive a superannuation retirement allowance which 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 401 subsection (1) of this article or article IV. section 401 subsection (1) of the Public School Employes' Retirement Code: Provided, That (i) the final average salary used in the computation of the retirement allowance attributable to each class of membership shall be computed with reference to the contributor's total credited service, (ii) the State annuity or combined member's and State annuity, as the case may be, computed for service in any class of membership for which the superannuation retirement age is greater than the age of the contributor at the effective date of superannuation retirement shall have a value equal to the present value of such annuity beginning at the superannuation retirement age for such class of membership, and (iii) in the case of a contributor who has transferred from Class B to Class A and who has not made back payments according to the provisions of article III. section 302 subsection (2) (g) of this code, the prior service component applicable to an original member shall equal 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 19. Subsections (1) and (2), section 402 of the act are amended to read:

Subsections (1) and (2), section 402 of the act amended.

Section 402. Withdrawal Benefits.—

(1) Upon discontinuance of service before reaching superannuation retirement age by resignation or dismissal or for any reason other than death or receipt of a disability allowance or leave of absence without pay, a contributor who ceases to be a State employe shall be paid on demand from the fund:

(a) In the case of a member of Class A, Class B, Class D or Class E—

[(i)] The full amount of the accumulated deductions standing to his individual credit in the members' annuity savings account as of the termination of such service [, or in lieu thereof should he so elect—

(ii) An annuity beginning at time of withdrawal or a deferred annuity beginning at superannuation retirement age, which shall be the actuarial equivalent of said deductions].

(b) In the case of a member of Class C, the amount standing to his credit in the members' annuity savings account shall be paid to him if no application for return of accumulated deductions shall have been made within six (6) months after resignation.

(c) In the case of members of classes other than Class C, the accumulated deductions left by a former State employe or contributor whose State employment is terminated shall no longer be credited with any interest after September 1, 1945, even though such accumulated deductions are not withdrawn in accordance with the provisions of this subsection nor shall interest be credited on accumulated deductions of any contributor who is on leave of absence without pay other than military leave of absence or in the case of civil service employes on furlough.

(2) Upon discontinuance of service before reaching superannuation retirement age, a contributor who is a member of the single coverage group and whose entire service shall have been in one class of membership, if qualified in accordance with the following provisions, may elect to receive a withdrawal allowance computed for his class of membership as follows:

(a) The withdrawal allowance of a member of Class A, Class B or Class C, who is discontinued from service not voluntarily after having completed ten (10) years of total service or voluntarily after having completed twenty-five (25) years of total service, shall consist of—

(i) A member's annuity which shall be the actuarial equivalent at the date of receipt of benefits 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 calculated in accordance with the provisions of subsection (1) paragraph (a), (b) or (c) of section 401, as the case may be.

(b) The withdrawal allowance of a member of Class D, who discontinues his qualified legislative service voluntarily or involuntarily after having completed ten (10) years of such service, shall consist of a combined member's annuity and State annuity having a value equal to the present value of such annuity beginning at superannuation retirement age calculated in accordance with the provisions of section 401 subsection (1) paragraph (d).

(c) The withdrawal allowance of a member of Class E, who discontinues his judicial service [voluntarily or involuntarily] *not voluntarily after having completed ten (10) years of judicial service or voluntarily after having completed twenty (20) years of judicial service*, shall consist of a combined member's annuity and State annuity having a value equal to the present value of such annuity beginning at superannuation retirement age calculated in accordance with the provisions of section 401 subsection (1) paragraph (e).

* * * * *

Subsection (3).
section 402 of
the act repealed.

Section 20. Subsection (3) section 402 of the act is repealed.

Section 402 of
the act amended
by adding a new
subsection (2.1).

Section 21. Section 402 of the act is amended by adding, after subsection (2), a new subsection 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:

(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:

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

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.

(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 Public School Employes' 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, 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.

* * * * *

Paragraph (c),
subsection (1),
section 403 of
the act amended.

Section 22. Paragraph (c) subsection (1) 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).—

(1) The superannuation retirement allowance or the withdrawal allowance provided for in section 401 or section 402, as the case may be, of this article payable to a member of the joint coverage group after the age at which social security old age insurance benefits become payable shall be reduced by an amount equal to forty (40) percent of the primary insurance amount of social security paid or payable to him. Such reduction shall be subject to the following provisions:

* * * * *

(c) The reduction *of benefits in accordance with this subsection shall be limited to *the basic component of the State annuity [provided in] calculated according to the provisions of section 401 subsection (1) paragraph (a) (i) [or (b) (i), as the case may be] in the case of members of Class A, Class C, Class D or Class E, or section 401 subsection (1) paragraph (b) (i) in the case of members of Class B.*

* * * * *

Section 405 of
the act amended
by adding a new
subsection (3.1).

Section 23. Section 405 of the act is amended by adding, after subsection (3), a new subsection to read:

Section 405. Disability Allowances.—

* * * * *

(3.1) A contributor who has credit for multiple service, who is under the superannuation retirement age for any of such classes and who applies for a disability allowance, shall receive such allowance in accordance with the following provisions:

(a) A contributor shall be eligible for a disability allowance if he shall, upon date of application, have accrued one hundred (100) disability credits or if he shall, at date of application, be a member of Class C.

(b) A contributor who, upon date of application, is a member of any class other than Class C shall be entitled to twenty (20) disability credits for each year of service as a member of Class A, Class B, Class C, Class D

* "in" in original.

or Class E, and to ten (10) disability credits for each year of credited service as a member of Class T-A or Class T-B.

(c) The disability allowance shall consist 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 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 member's annuity which shall be the actuarial equivalent with 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 for such contributor attributable to total credited service in all classes of membership shall not be less than thirty-three and one-third ($33 \frac{1}{3}$) percent of his final average salary.

* * * * *

Section 24. Section 406 of the act is repealed.

Section 406 of the act repealed.

Section 25. The act is amended by adding, after section 405, a new section to read:

Act is amended by adding a new section 405.1.

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 State service or to school service shall cease upon reentry into service until subsequent discontinuance

of service: Provided, however, That this provision shall not apply in the case of any annuitant who may render services to the Commonwealth in the capacity of an independent contractor.

(2) Upon subsequent discontinuance of service, the allowance of a contributor who was formerly receiving a superannuation retirement allowance or a withdrawal allowance according to the provisions of the State Employes' Retirement System or the Public School Employes' Retirement System, shall be computed according to the following provisions:

(a) A contributor who is a member of the single coverage group and whose entire service shall have been in one class of membership shall receive an allowance computed with respect to total credited service according to the provisions of section 401 subsection (1) or section 402 subsection (2) of this article, as the case may be.

(b) A contributor who is a member of the single coverage group who has credit for multiple service shall receive an allowance with respect to total credited service according to the provisions of section 401 subsection (2) or section 402 subsection (3) of this article, as the case may be.

Subsections (1) and (2), section 407 of the act amended.

Section 26. Subsections (1) and (2), section 407 of the act are amended to read:

Section 407. Death Benefits.—

*(1) [A member of Class A, Class B or Class C who is entitled to a superannuation retirement allowance by reason of having reached superannuation retirement age or who is entitled to a withdrawal allowance by reason of having completed twenty-five (25) years of total service and any member of Class D having completed ten (10) years of qualified legislative service and any member of Class E having completed *twenty (20) years of judicial service.] Any contributor who is entitled to a superannuation retirement allowance by reason of having reached superannuation retirement age or any member of Class A, Class B or Class C who has to his credit twenty-five (25) years of service as a member of such class or any member of Class D who has to his credit ten (10) years of qualified legislative service or any member of Class E who has to his credit twenty (20) years of judicial service 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*

* "twenty" omitted in original.

his death, electing one of the options provided in article IV. section 404 and nominating a beneficiary under said option as required in said section. In all such cases, the application shall be held by the retirement board until the contributor shall file a later application in the usual manner for a superannuation retirement allowance or until the death of the contributor occurring while in State 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 member of Class A, Class B or Class C who is entitled to a superannuation retirement allowance by reason of having reached superannuation retirement age or who is entitled to a withdrawal allowance by reason of having completed twenty-five (25) years of total service and any member of Class D having completed ten (10) years of qualified legislative service and any member of Class E having completed twenty (20) years of judicial service,] *Any contributor who is entitled to a superannuation retirement allowance by reason of having reached superannuation retirement age or any member of Class A, Class B or Class C who has to his credit twenty-five (25) years of service as a member of such class or any member of Class D who has to his credit ten (10) years of qualified legislative service or any member of Class E who has to his credit twenty (20) years of judicial service or any contributor with credit for multiple service who has accumulated one hundred (100) voluntary withdrawal credits and who has died while in State service before filing with the retirement board a written application for a [superannuation] retirement allowance as provided in subsection (1) of this section, shall be considered as having elected Option 1 as provided in article IV. section 404 as of the date of his death. In such event, payment under Option 1 shall be made to the beneficiary designated in the nomination of beneficiary form on file with the retirement board, or if said beneficiary has predeceased the contributor, to the legal representative of said contributor.*

* * * * *

Section 27. Subsections (1) and (7) of section 501 of the act are amended to read:

Subsections (1) and (7), section 501 of the act amended.

Section 501. State Employees' Retirement Board.—

(1) The retirement board [created by this act] shall be in the Department of State, and shall consist of the following:

(a) The Secretary of the Commonwealth who shall be chairman thereof.

(b) The State Treasurer.

(c) One (1) member who shall be appointed by the Governor of the Commonwealth who shall serve until his successor is appointed.

(d) Two (2) members of the retirement system elected from among their number in a manner to be approved by those persons named in clauses (a), (b) and (c) of this subsection, one to serve for one (1) year, one for two (2) years, and whose *successors shall be elected for a term of three (3) years from among the members of the retirement system in a manner to be approved by the retirement board.

A vacancy occurring during the term shall be filled for the unexpired term by the appointment of a successor in the same manner as his predecessor. [Until the establishment of the retirement system and the election of two (2) representatives therefrom, the persons named in clauses (a), (b) and (c) of this subsection are employed to perform the duties of the retirement board.]

* * * * *

(7) The retirement board [created by this act] shall be deemed a departmental administrative board within the Department of State and shall be subject in all respects to the laws of the Commonwealth limiting the powers of departmental administrative boards with regard to the expenditure of money and prescribing the duties of departmental boards with reference to the making of financial reports, furnishings of financial and budgetary information to the department with which it is connected and the making of biennial reports.

Subsections (1), (2), (3), (4) and (5), section 502 of the act, amended.

Section 28. Subsections (1), (2), (3), (4) and (5) of section 502 of the act are amended to read:

Section 502. Management of Fund and Accounts.—

(1) The members of the retirement board shall be the trustees of the fund [created by this act] and shall have exclusive control and management of the said fund and full power to invest the same, subject, however, to all the terms, conditions, limitations and restrictions, imposed by this act, upon the making of investments, and subject, also, to the terms, conditions, limitations and restrictions, imposed by law, upon administrative departments, boards, commissions and officers of the State Government in making investments, and subject to like terms, conditions, limitations and restrictions, said trustees shall have power to hold, purchase, sell, assign, transfer or dispose of any of the securities and investments in which any of the moneys in the fund [created by this act] shall have been invested as well as of the

* "successor" in original.

proceeds of said investments and of any moneys belonging to said fund.

(2) The retirement board shall, annually, allow statutory interest on the mean amount for the preceding year to the credit of each of the accounts [created in accordance with the provisions of this act]. The amount so allowed shall be, annually, credited thereto by the retirement board.

(3) The State Treasurer shall be the custodian of the fund [created by this act].

(4) All payments from the fund [created by this act] shall be made by the State Treasurer only upon warrants drawn by the Auditor General in accordance with requisitions signed by the chairman of the retirement board and countersigned by the secretary of the retirement board, and no requisition shall be drawn except by order of the retirement board, duly entered in the record of its proceedings.

(5) For the purpose of meeting disbursements for annuities and other payments in excess of the receipts, there shall be kept available, by the State Treasurer, an amount, not exceeding ten (10) percent of the total amount in the fund [created by this act], on deposit in any bank or banks in this Commonwealth organized under the laws thereof or under the laws of the United States or with any trust company or companies incorporated by any law of this Commonwealth, provided said bank or trust company or companies shall furnish adequate security for said deposit, and provided that the sum so deposited in any one bank or trust company shall not exceed twenty-five (25) percent of the paid-up capital and surplus of said bank or trust company.

* * * * *

Section 29. Subsections (1), (2), (3) and (5) of section 503 of the act are amended to read:

Subsections (1),
(2), (3) and
(5), section 503,
amended.

Section 503. Duties of the Retirement Board.—

(1) Subject to the limitations of this act and of law, the retirement board shall, from time to time, establish rules and regulations for the administration of the fund and ledger accounts [created by this act] and for the transaction of its business.

(2) The retirement board shall keep in convenient form such data as shall be necessary for actuarial valuation of the various accounts [created by this act].

(3) In the years 1927 and 1930 and in every fifth year thereafter, the actuary of the retirement board shall make an actuarial investigation into the mortality and service experience of the contributors, annuitants and beneficiaries, as defined in this act, and shall make a

valuation of the various accounts [created by this act] and on the basis of such investigation and valuation, the retirement board shall—

(a) Adopt for the retirement system one or more mortality tables and such other tables as shall be deemed necessary.

(b) Certify the rates of deduction from compensation necessary to pay the annuities authorized under the provisions of this act.

(c) Certify, biennially, the amount of appropriation which shall be made by the Commonwealth and other agencies to the State Employees' Retirement Fund, which amount shall be based on estimates furnished by the actuary, and shall be credited to the proper accounts [created by this act].

* * * * *

(5) The retirement board shall prepare and have published, annually, a financial statement showing the condition of the fund and the various accounts [created by this act] and setting forth such other facts, recommendations and data as may be of use in the advancement of knowledge concerning State employes' pensions and annuities, and said retirement board shall submit said financial statement to the Governor of the Commonwealth of Pennsylvania and shall file copies in the office of the Secretary of the Commonwealth, of the State Insurance Department and of the head of each department for use of the State employes and the public.

* * * * *

Section 503 of the act amended by adding 3 new subsections (8.1), (8.2) and (8.3).

Section 30. Section 503 of the act is amended by adding, after subsection (8), three new subsections to read:

Section 503. Duties of the Retirement Board.—

* * * * *

(8.1) Upon receipt of notification from the Public School Employes' Retirement Board that a former State employe who has not withdrawn his accumulated deductions has become a contributor in the Public School Employes' Retirement System, the retirement board shall resume crediting of statutory interest on his accumulated deductions as of the date that such former State employe becomes a contributor in the Public School Employes' Retirement System.

(8.2) Upon notification by the Public School Employes' Retirement Board that a former contributor has applied for a superannuation retirement allowance, withdrawal allowance or disability allowance, or has made application for a death benefit according to provisions of article IV. section 406 subsection (1) of the Public

School Employes' Retirement Code, the retirement board shall certify to the Public School Employes' Retirement Board the total credited service in the State Employes' Retirement System of such former contributor and the number of years and fractional parts thereof of service attributable to each class of membership.

(8.3) Upon notification from the Public School Employes' Retirement Board that the application of a former contributor for a superannuation retirement allowance, withdrawal allowance or disability allowance, or the application of a beneficiary of a former contributor for a death benefit according to the provisions of article IV, section 406 subsection (2) of the Public School Employes' Retirement Code has been approved, the retirement board shall transfer to the Public School Employes' Retirement Board the accumulated deductions standing to his credit in the members' annuity savings account and the State annuity reserve computed with reference to years of service as a contributor in the State Employes' Retirement System and a final average salary for such service standing to his credit in the State annuity accumulation account, the State annuity accumulation and reserve account for original members or the State Police benefit account, as the case may be.

* * * * *

Section 31. Subsection (9) section 503 of the act is amended to read:

Subsection (9), section 503 of the act amended.

Section 503. Duties of the Retirement Board.—

* * * * *

(9) The retirement board shall furnish, annually, to the head of each department a statement for each employe of such department of the accumulated deductions standing to his credit in the members' annuity savings account and of the number of years and fractional parts thereof of credited service attributable to each class of membership.

* * * * *

Section 32. Section 503 of the act is amended by adding, after subsection (9), a new subsection to read:

Section 503 of the act amended by adding a new subsection (9.1).

Section 503. Duties of the Retirement Board.—

* * * * *

(9.1) Upon application of a contributor whose employment as a State employe shall have terminated upon transfer to the Public School Employes' Retirement System or upon application of a former contributor who is presently a school employe and who shall have restored his accumulated deductions in the fund according to the

provisions of article II. section 208, the retirement board shall furnish him with a statement of the accumulated deductions standing to his credit in the members' annuity savings account and the number of years of credited service attributable to each class of membership.

* * * * *

Section 504 of the act amended by adding a new subsection (7).

Section 33. Section 504 of the act is amended by adding, at the end thereof, a new subsection to read:

Section 504. Duties of Heads of Departments.—

* * * * *

(7) The head of each department shall, upon the employment of a former contributor to the Public School Employes' Retirement System, notify such employe of his right to restore his accumulated deductions in accordance with the provisions of article II. section 210 of the Public School Employes' Retirement Code.

Subsection (1), section 506 of the act amended.

Section 34. Subsection (1) section 506 of the act is amended to read:

Section 506. Duties of State Employes.—

(1) Each State employe who has reached superannuation retirement age and who desires to receive a superannuation retirement allowance, shall file with the retirement board a written application, duly attested [, setting forth the date on which he desires to be retired]. Said application shall make the superannuation allowance effective [on the date so specified, if such application was filed in the offices of the board or deposited in the United States mail, addressed to the board, before the date specified in the application and before the death of the contributor: Provided, however, That the date so specified in the application shall not be more than thirty (30) days from the date of filing or depositing the application in the mail.] from the first scheduled work day following the last date for which compensation was paid: Provided, however, That the application is filed within ninety (90) days after the last date for which compensation was paid. In the event that the contributor files his application subsequent to the expiration of ninety (90) days, the said application shall make the superannuation retirement allowance effective as of the date the application was filed in the offices of the retirement board.

* * * * *

Section 506 of the act amended by adding a new subsection (5).

Section 35. Section 506 of the act is amended by adding, at the end thereof, a new subsection to read:

Section 506. Duties of State Employes.—

* * * * *

(5) Upon application for membership, any State employe who was a former contributor in the Public School Employes' Retirement System and who desires to receive credit for multiple service and to have his contribution rate determined according to the provisions of article III. section 301 subsection (2), shall notify the retirement board of such former membership in that system.

Section 36. Section 601 of the act is amended to read: Section 601 of the act amended.

Section 601. [Creation of] Fund and Accounts.—The fund and accounts [hereby created] are the State Employes' Retirement Fund, the State annuity accumulation account, the State annuity reserve account, State annuity accumulation and reserve account for original members, the members' annuity savings account, the members' annuity reserve account, the State Police benefit account and the State Police members' annuity reserve account.

Section 37. Section 701 of the act is repealed. Section 701 of the act repealed.

Section 38. Sections 702 and 703 of the act are amended to read: Sections 702 and 703 of the act amended.

Section 702. Transfer of Credits from the Public School Employes' Retirement System to the State Employes' Retirement System.—Any [State employe who was a] contributor [on August 19, 1953, and any State employe who was a contributor on July 1, 1956, and] who as an employe under the public school system of the Commonwealth made contributions and on account of whose service contributions were made by the State and by any school district to the Public School Employes' Retirement Fund on account of the service credited to him under the Public School Employes' Retirement System and for which he has not [heretofore] been credited under the State Employes' Retirement System, may request the retirement board to give him credit for such previous service. The retirement board shall credit the contributor with such period of service upon the fulfillment of the following conditions:

(1) There shall be furnished to the retirement board by the Public School Employes' Retirement Board a statement certifying all such service heretofore credited as a member of the Public School Employes' Retirement System which hereafter is to be considered as having been rendered as a State employe.

(2) There shall be transferred to the fund from the Public School Employes' Retirement Fund an amount equal to the accumulated deductions standing to his

credit in the employes' annuity savings account and such amount of reserve as may be carried on account of his membership in the State annuity accumulation account or the State annuity accumulation and reserve account for original members, as the case may be, as determined by the Public School Employes' Retirement Board.

(3) There shall be paid into the fund a sum equal to the amount of back payments that would have been made by such contributor under the rules of the State Employes' Retirement Board fixing the entry age and the percentage of salary deductions required of such contributor because of such previous service towards which sum the amount of transferred accumulated deductions shall be applied, but any unpaid balance of such back payments may be paid in a lump sum or by future increased deductions from the salary of the contributor in such amounts as may be agreed upon by the contributor and the retirement board, but in no event shall such increased salary deductions be in amounts less than sufficient to pay such balance of back payments at the time the member reaches superannuation retirement age, or if the member has reached superannuation retirement age by payment of such balance of back payments [not later than November 19, 1953, in the case of a contributor on August 19, 1953, or not later than December 1, 1956, in the case of a contributor on June 1, 1956,] *within six (6) months of the date of requesting the retirement board to allow such credit.*

(4) A further sum shall be paid into the fund by the contributor sufficient to provide the cost of the additional State annuity related to such previous service, for which credit may have been allowed under this section, less the sum and the accrued interest thereon transferred from the Public School Employes' Retirement Fund, as the amount equal to the reserve carried on account of his membership in the State annuity accumulation account or the State annuity accumulation and reserve account for original members, as the case may be. Until such further sum is applied towards providing such additional State annuity it shall be separately credited to the account of the contributor in his members' *annuity savings account subject to the rules governing members' accumulated deductions. Such further sum may be paid in a lump sum or by future increased deductions from the salary of the contributor in such amounts as may be agreed upon by the contributor and the retirement board: Provided, however, That in the event the entire amount so paid does not equal the total sum required to

* "annuity" in original.

provide such additional State annuity related to such previous service, such additional State annuity shall be reduced proportionately.

Section 703. Transfer of Credits from the State Employees' Retirement System to the Public School Employees' Retirement System.—Any person who has [heretofore] been a contributor and has ceased to be a State employe and has become a public school employe and a member of the Public School Employees' Retirement System, may request, in writing, the retirement board to certify to the Public School Employees' Retirement Board the period of service for which credit has been allowed and to transfer to the Public School Employees' Retirement Fund an amount equal to the accumulated deductions standing to his credit in the members' annuity savings account and such amount of reserve as may be carried on account of his membership in the State annuity accumulation account or the State annuity accumulation and reserve account for original members, as the case may be, as determined by the retirement board. Upon such transfer of funds, such person shall establish credit in the Public School Employees' Retirement System as a public school employe for service previously credited to him in the State Employees' Retirement System. Upon receipt of such request, the retirement board shall make such certification and transfer of funds.

Section 39. Sections 801, 802 and 803 of the act are amended to read:

Sections 801, 802 and 803 of the act amended.

Section 801. State Guarantee. — Statutory interest charges payable, the [creation and] maintenance of reserves in the State Employees' Retirement Fund to the credit of the State annuity accumulation account, the State annuity accumulation and reserve account for original members and the State Police benefit account and the maintenance of members' annuity reserves and State annuity reserves as provided for in this act and the payment of all retirement allowances and other benefits granted by the retirement board under the provisions of this act are hereby made obligations of the Commonwealth. All income, interest and dividends derived from deposits and investments authorized by this act shall be used for the payment of the said obligations of the Commonwealth.

Section 802. State Supervision. — The fund and ledger accounts [created] *provided for* by this act shall be subject to the supervision of the State Insurance Department.

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 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.

Act effective immediately.

Section 40. This act shall become effective immediately.

APPROVED—The 4th day of August, A. D. 1959.

DAVID L. LAWRENCE

No. 204

AN ACT

Amending the act of April 29, 1959 (P. L. 58) (Act No. 32), entitled "An act consolidating and revising the Vehicle Code, the Tractor Code, the Motor Vehicle Financial Responsibility Act and other acts relating to the ownership, possession and use of vehicles and tractors," authorizing the issuance of dealer registration plates to certain collector-repossessors and limiting their use thereof.

The Vehicle Code.

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

Definition of "dealer," section 102, sections 502 and 720, act of April 29, 1959, P. L. 58, Act No. 32, amended.

Section 1. The definition of the word "dealer" in section 102 and sections 502 and 720, act of April 29, 1959 (P. L. 58) (Act No. 32), known as "The Vehicle Code," are amended to read:

Section 102. Definition.—The following words and phrases when used in this act shall, for the purpose of this act, have the meanings, respectively, ascribed to them in this section except in those instances where the context clearly indicates a different meaning:

* * * * *

"Dealer."—(1) A person as defined in this act actively and principally engaged in and devoting a sub-