

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," further providing for retirement of members of the General Assembly.

State Employes' Retirement Code of 1959.

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

Subsection (1), section 202, act of June 1, 1959, P. L. 392, amended by adding a new clause (d.1).

Section 1. Subsection (1) of section 202, act of June 1, 1959 (P. L. 392), known as the "State Employes' Retirement Code of 1959," is amended by adding, after clause (d), a new clause to read:

Section 202. Classes of Membership.—

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

* * * * *

(d.1) Class D-1 which shall consist of all members of the General Assembly who have elected to become contributors and who have elected, according to the provisions of article V, section 506 subsection (7), to become members of Class D-1 and for each of whom a combined member's annuity and State annuity shall be calculated on the basis of three and three-quarters one-hundredths ($3\frac{3}{4}/100$) of final average salary for each year of credited service as a member of the General Assembly.

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Subsection 1, section 301 of the act amended by adding a new clause (d.1).

Section 2. Subsection 1, section 301 of the act is amended by adding, after clause (d), a new clause to read:

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

(1) From the salary of each member of the single coverage group who is a contributor, there shall be deducted and paid into the fund, by the State Treasurer through the Department of Revenue, such percent of his salary as shall be computed according to the class of his membership as follows:

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(d.1) A member of Class D-1 shall be required to contribute at one and seven-eighths ($1\frac{7}{8}$) times the rate of contribution required of a member of Class A.

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Section 3. Subsection (1) section 304 of the act is amended to read:

Subsection (1),
section 304 of
the act amended.

Section 304. Contributions by Commonwealth or Other Employer.—

(1) Contributions on account of members of Class A, Class B, Class D, *Class D-1* and Class E shall be as follows:

(a) On July 1 and January 1 of each year covering the preceding six (6) months, the Commonwealth shall pay, through the Department of Revenue into the retirement fund on account of new members, such amount as shall be certified by the retirement board as necessary to provide by such method of payment during the prospective active service of such new members the State annuity reserves required at the time of retirement for their State annuities, which amount shall be credited by the retirement board to the ledger account known as the State annuity accumulation account. The amount so certified by the retirement board shall be computed as a percentage of the total salaries earnable by all contributors during the period for which the amount is certified. The percentage shall be computed as a level percentage of the prospective compensation of all contributors and shall be based on such mortality and other tables as shall be adopted by the retirement board, and on statutory interest. Such percentage shall be computed on the basis of each actuarial valuation and shall be determined by deducting from the present value of the liabilities of the State annuity accumulation account the sum of the assets credited to that account on the valuation date and dividing the remainder by the present value of the future salaries of all contributors.

(b) The Commonwealth shall, from the General Fund, from special operating funds and from other agencies and from other employers whose employes are covered as State employes under this act, pay into the fund, through the Department of Revenue, on account of each original member of the retirement system and until the accumulated reserve equals the present value of the liability with respect to all such original members, such amounts as shall be certified by the retirement board to be sufficient when combined with the total amount in the fund to the credit of the State annuity accumulation and reserve account for original members to provide the State annuities payable by the Commonwealth during the year then current to the original members then retired or to be retired as provided in this act.

(c) The General Assembly shall, from time to time, appropriate moneys sufficient to make the payments to former State employes provided for in article IV. section 409.

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Subsection (1), section 401 of the act amended by adding a new clause (d.1).

Section 4. Subsection (1) section 401 of the act is amended by adding, after clause (d), a new clause 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 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:

* * * * *

(d.1) The superannuation retirement allowance of a member of Class D-1, 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 three and three-quarters one-hundredths ($3\frac{3}{4}/100$) of his final average salary for each year of credited service as a member of the General Assembly. The total superannuation retirement allowance payable to a member of Class D-1, after election of an option as provided in section 404 of this article, shall not exceed one hundred (100) percent of his final average salary.

* * * * *

Clause (a), subsection (1), section 402 of the act, amended August 4, 1959, P. L. 621, further amended.

Section 5. Clause (a) subsection (1) section 402 of the act, amended August 4, 1959 (P. L. 621), is amended to read:

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, *Class D-1* or Class E—

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.

* * * * *

Section 6. Subsection 2 section 402 of the act is amended by adding, after clause (b), a new clause to read:

Subsection 2, section 402 of the act amended by adding a new clause (b.1).

Section 402. Withdrawal Benefits.—

* * * * *

(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:

* * * * *

(b.1) The withdrawal allowance of a member of Class D-1, who discontinues his 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.1).

* * * * *

Section 7. Clause (b) subsection (2.1) section 402 of the act, amended December 1, 1959 (P. L. 1640), is amended to read:

Clause (b), subsection (2.1), section 402 of the act, amended December 1, 1959, P. L. 1640, further amended.

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:

LAWS OF PENNSYLVANIA,

Number of Withdrawal Credits for Each Year of Service		
Class of Membership	Voluntary Withdrawal Credits	Involuntary Withdrawal Credits
(1)	(2)	(3)
State Employees' Retirement System		
A	4	10
B	4	10
C	4	10
D	10	10
<i>D-1</i>	<i>10</i>	<i>10</i>
E	5	10
Public School Em- ployees' Retirement System		
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.

* * * * *

Clause (c), subsection (1), section 403, of the act amended August 4, 1959, P. L. 621, further amended.

Section 8. Clause (c) subsection (1) section 403 of the act, amended August 4, 1959 (P. L. 621), 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 calculated according to the provisions of section 401 subsection (1) paragraph (a) (i) in the case of members of Class A, Class C, Class D, *Class D-1* or Class E, or section 401 subsection (1) paragraph (b) (i) in the case of members of Class B.

* * * * *

Section 9. Clause (b) subsection (3.1) section 405 of the act, added August 4, 1959 (P. L. 621), is amended to read:

Clause (b), subsection (3.1), section 405 of the act, added August 4, 1959, P. L. 621, further amended.

Section 405. Disability Allowances.—

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(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:

* * * * *

(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, *Class D-1* 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.

* * * * *

Section 10. Subsections (1) and (2) section 407 of the act, amended August 4, 1959 (P. L. 621), are amended to read:

Subsections (1) and (2), section 407 of the act, amended August 4, 1959, P. L. 621, further amended.

Section 407. Death Benefits.—

(1) 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 or *Class D-1* 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 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 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 or of Class D-1 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 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.

* * * * *

Subsection (2), section 506 of the act, amended.

Section 11. Subsection (2) section 506 of the act is amended to read:

Section 506. Duties of State Employees.—

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(2) Each member of Class A, Class B, Class D, *Class D-1* or Class E, who has had at least five (5) years of service and each member of Class C, regardless of length of service, who is under superannuation retirement age and who desires to receive a disability allowance, shall file a written application with the retirement board or such application may be made by a person acting in his behalf or by the head of his department.

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Subsection 506 of the act, amended by adding a new subsection (7).

Section 12. Section 506 of the act is amended by adding, at the end thereof, a new subsection to read:

Section 506. Duties of State Employees.—

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(7) Any member or member-elect of the General Assembly as of December 1, 1960, who desires to become a member of Class D-1, shall so elect by written notice filed with the retirement board prior to December 1, 1961, and shall agree in such notice to make contributions at the rate specified in article III. section 301 subsection (1) clause (d.1) retroactive to December 1, 1960. Any member of the General Assembly elected subsequent to December 1, 1960, who was not a member or member-elect of the General Assembly on December 1, 1960, and who desires to become a member of Class D-1, shall so elect prior to December 1 of the year following his election to the General Assembly.

Section 13. Sections 603, 604 and 605 of the act are amended to read:

Sections 603,
604 and 605 of
the act, amended.

Section 603. State Annuity Accumulation Account.—The State annuity accumulation account shall be the ledger account to which shall be credited all contributions with respect to the State annuities payable on account of new members of Class A, Class B, Class D, Class D-1 and Class E made in accordance with the provisions of article III. section 304 subsection (1) and all contributions with respect to State annuities payable on account of new members of Class C made in accordance with the provisions of article III. section 304 subsection (2), except the amounts received under the provisions of the act of May 12, 1943 (P. L. 259), as amended, and the additional amounts credited to the State Police benefit account. Upon the entitlement of a contributor to an allowance under the provisions of article IV. with respect to a new member, the necessary reserves on account of members of Class A, Class B, Class D, Class D-1 and Class E shall be transferred from the State annuity accumulation account to the State annuity reserve account provided for in section 604 of this article and the necessary reserves on account of members of Class C shall be transferred from the State annuity accumulation account to the State Police benefit account provided for in section 606 of this article.

Section 604. State Annuity Reserve Account.—Upon transfer of reserves on account of a member of Class A, Class B, Class D, Class D-1 or Class E, who is entitled to an allowance under the provisions of article IV., the State annuity of such annuitant shall be charged to the State annuity reserve account and paid from the fund. Should the said new member be subsequently restored to active service, his State annuity reserve calculated on the basis of his attained age shall be transferred from the State annuity reserve account to the State annuity

accumulation account. Should the State annuity of any such new member be otherwise reduced or discontinued in accordance with the provisions of this act, his State annuity reserve, or such proportionate part of his State annuity reserve as corresponds to the amount of the reduction of his State annuity, shall be transferred from the State annuity reserve account to the State annuity accumulation account.

Section 605. State Annuity Accumulation and Reserve Account for Original Members.—The State annuity accumulation and reserve account for original members shall be the ledger account to which shall be credited all contributions with respect to the State annuities payable on account of original members of Class A, Class B, Class D, *Class D-1* and Class E made in accordance with the provisions of article III. section 304 subsection (1) and all contributions with respect to State annuities payable on account of original members of Class C made in accordance with the provisions of article III. section 304 subsection (2), except the amounts received under the provisions of the act of May 12, 1943 (P. L. 259), as amended, and the additional amount credited to the State Police benefit account. Upon the entitlement of a member of Class A, Class B, Class D, *Class D-1* or Class E, to an allowance under the provisions of article IV. with respect to an original member, his State annuity shall be charged to the State annuity accumulation and reserve account for original members and shall be paid from the fund. Upon entitlement of a member of Class C to an allowance under the provisions of article IV. with respect to an original member, the necessary reserve on account of such member shall be transferred from the State annuity accumulation and reserve account for original members to the State Police benefit account.

Sections 607 and 608 of the act, amended.

Section 14. Sections 607 and 608 of the act are amended to read:

Section 607. Members' Annuity Savings Account.—The members' annuity savings account shall be the ledger account to which shall be credited the amounts of the salary deduction made from the compensation of contributors in accordance with the provisions of article III. section 301. During the continued active membership of a contributor such amount shall be credited with statutory interest. Upon the entitlement of a member of Class A, Class B, Class D, *Class D-1* or Class E, to an allowance under the provisions of article IV., the total accumulated deductions to his credit shall be transferred from the members' annuity savings account to the members' annuity reserve account provided for in section 608

of this article. Upon entitlement of a member of Class C to an allowance under the provisions of article IV., the total accumulated deductions to his credit shall be transferred from the members' annuity savings account to the State Police members' annuity reserve account provided for in section 609 of this article.

Section 608. **Members' Annuity Reserve Account.**—The members' annuity reserve account shall be the ledger account to which shall be credited the reserves held for the payment of all members' annuities on account of members of Class A, Class B, Class D. *Class D-1* and Class E. Upon the entitlement of such member to an allowance under the provisions of article IV., an amount equivalent to the amount of his accumulated deductions shall be transferred from the members' annuity savings account to the members' annuity reserve account and, thereafter, his member's annuity shall be charged to said account and paid from the fund. Should the said contributor be subsequently restored to active service, his member's annuity reserve, calculated on the basis of his attained age, shall be transferred from the members' annuity reserve account to the members' annuity savings account and placed to his individual credit.

Section 15. This act shall take effect immediately.

Act effective
immediately.

APPROVED—The 28th day of April, A. D. 1961.

DAVID L. LAWRENCE

No. 80

AN ACT

Amending the act of June 1, 1959 (P. L. 350), entitled "An act relating to the retirement of public school employes; amending, revising, consolidating and changing the laws relating thereto," further providing for multiple service credit in the case of certain members.

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

Section 1. Clause (b) of subsection (2.1) of section 402, act of June 1, 1959 (P. L. 350), known as the "Public School Employes' Retirement Code of 1959," added August 4, 1959 (P. L. 599), is amended to read:

Section 402. **Withdrawal Benefits.**—

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(2.1) A contributor who is a member of the single coverage group, who has credit for multiple service and whose service is discontinued voluntarily or involuntarily before reaching the superannuation retirement

Public School
Employes' Re-
tirement Code
of 1959.

Clause (b), sub-
section (2.1),
section 402, act
of June 1, 1959,
P. L. 350, added
August 4, 1959,
P. L. 599,
amended.