

of the fifth, sixth, seventh and eighth class; imposing certain charges on counties, and prescribing penalties," authorizing certain county retirement boards to contract with an insurance company to administer the county employes' retirement fund.

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

Section 1. The act of August 5, 1941 (P. L. 803), entitled, as amended, "An act providing for the creation, maintenance and operation of a county employes' retirement system in counties of the fifth, sixth, seventh and eighth class; imposing certain charges on counties, and prescribing penalties," reenacted and amended May 2, 1949 (P. L. 881), is amended by adding, after section 19, a new section to read:

*Section 20. Designation of Deposit Administrator.—Notwithstanding any provisions in this act to the contrary, the board of any county, which has not heretofore established a county pension plan under present law, may contract with any insurance company to be designated as a deposit administrator, which has qualified, and is authorized by the Insurance Department of the Commonwealth of Pennsylvania, to transact business in the Commonwealth of Pennsylvania. Prior to the awarding of any contract, the board shall secure three separate proposals which shall be made a matter of record with the board. The board shall also indicate on their records the reason for awarding the contract to the particular company. The deposit administrator may be given the power to administer the fund in its entirety, including the power to receive and invest all moneys deposited in the fund, and such other powers as are vested in the board. In lieu of the options provided in the act upon retirement, disability, withdrawal or death of a contributor, the deposit administrator may contract with any such company granting annuities or pensions for the retirement of such persons under the terms of the contract.*

Section 2. This act shall take effect immediately.

Act effective immediately.

APPROVED—The 6th day of June, A. D. 1963.

WILLIAM W. SCRANTON

No. 53

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," authorizing assignment of rights as security for loans, including interest and fines not exceeding six hundred dollars.

Employes' retirement system: counties of the 5th, 6th, 7th and 8th class. Act of August 5, 1941, P. L. 803, reenacted and amended May 2, 1949, P. L. 881, further amended by adding a new section 20.

State Employees'  
Retirement  
Code of 1959.

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

Section 803, act of June 1, 1959, P. L. 392, amended August 4, 1959, P. L. 621, and December 1, 1959, P. L. 1640, further amended.

Section 1. Section 803, act of June 1, 1959 (P. L. 392), known as the "State Employees' Retirement Code of 1959," amended August 4, 1959 (P. L. 621) and December 1, 1959 (P. L. 1640), is amended to read:

Section 803. Exemption from Execution.—The right of a person to a member's annuity, a State annuity, or retirement allowance, to the return of contributions, any benefit or right accrued or accruing to any person under the provisions of this act, and the moneys in the fund, 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 and interest and/or fines thereon the principal of such loan not to exceed [three hundred dollars (\$300.00)] *six hundred dollars (\$600.00)*, the interest on which loan shall not exceed six (6) percent per annum discounted by a person to a credit union now or hereafter organized and incorporated under the laws of the Commonwealth, the membership of which credit union is limited solely to officers and employes of the Commonwealth, shall be valid.

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

Act effective  
immediately.

Section 2. This act shall take effect immediately.

APPROVED—The 6th day of June, A. D. 1963.

WILLIAM W. SCRANTON