

AN ACT

To amend an act, approved the eighteenth day of July, one thousand nine hundred and seventeen (Pamphlet Laws, one thousand and forty-three), entitled "An act establishing a public school employes' retirement system, and creating a retirement board for the administration thereof; establishing certain funds from contributions by the Commonwealth and contributing employes, defining the uses and purposes thereof and the manner of payments therefrom, and providing for the guaranty by the Commonwealth of certain of said funds; imposing powers and duties upon boards having the employment of public school employes; exempting annuities, allowances, returns, benefits, and rights from taxation and judicial process; and providing penalties," by giving employes certain additional service credit; changing the rules relating to the State annuity and the contribution of employes; and extending the provisions of this act to persons on the retired list, after a certain date.

Public school employes' retirement system.

Clause 17 of section 1 of the act of July 18, 1917 (P. L. 143), further amended.

Section 1. Be it enacted, &c., That clause seventeen of section one of the act, approved the eighteenth day of July, one thousand nine hundred and seventeen (Pamphlet Laws, one thousand forty-three), entitled "An act establishing a public school employes' retirement system, and creating a retirement board for the administration thereof; establishing certain funds from contributions by the Commonwealth and contributing employes, defining the uses and purposes thereof and the manner of payments therefrom, and providing for the guaranty by the Commonwealth of certain of said funds; imposing powers and duties upon boards having the employment of public school employes; exempting annuities, allowances, returns, benefits, and rights from taxation and judicial process; and providing penalties," which was amended by section one of an act, approved the twenty-first day of April, one thousand nine hundred and twenty-one (Pamphlet Laws, two hundred and forty-five), entitled "An act to amend sections one and twelve of an act, approved the eighteenth day of July, one thousand nine hundred and seventeen (Pamphlet Laws, ten hundred forty-three), entitled 'An act establishing a public school employes' retirement system, and creating a retirement board for the administration thereof; establishing certain funds from contributions by the Commonwealth and contributing employes, defining the uses and purposes thereof, and the manner of payments therefrom, and providing for the guaranty by the Commonwealth of certain of said funds; imposing powers and duties upon boards having the employment of public school employes; exempting annuities, allowances, returns, benefits, and rights from taxation and judicial process; and providing penalties,'" is hereby further amended to read as follows:

Seventeen. "Final salary" shall mean the average annual salary, [not exceeding two thousand dollars,] earnable by a contributor as an employe for the ten years of service immediately preceding retirement.

Final salary.

Section 2. That clause five of section seven of said act is hereby amended to read as follows:

Clause 5 of section 7 amended.

Five. Each employer shall cause to be deducted on each and every pay-roll of a contributor, for each and every pay-roll period subsequent to June thirtieth, nineteen hundred nineteen, such per centum of the total amount of salary earnable by the contributor in such pay-roll period as shall be certified to said employer by the retirement board as proper, in accordance with the provisions of this act. [No deductions shall be made from that part of the salary earnable by any contributor which is at a rate in excess of two thousand dollars per annum.] In determining the amount earnable by a contributor in a pay-roll period, the retirement board may consider the rate of salary payable to such contributor on the first day of each regular pay-roll period as continuing throughout such pay-roll period, and it may omit salary deductions for any period less than a full pay-roll period in cases where the employe was not a contributor on the first day of the regular pay-roll period; and, to facilitate the making of the deductions, it may modify the deduction required of any contributor by such amount as shall not exceed one-tenth of one per centum of the salary upon the basis of which the deduction is to be made. The deductions provided herein shall be made, notwithstanding that minimum salaries provided for by the laws, ordinances, resolutions, or other acts of the Commonwealth, or of any other employer, shall be reduced thereby. Each employer shall certify to the treasurer of said employer, on each and every pay-roll, a statement as voucher for the amount so deducted, and shall send a duplicate of such statement to the secretary of the retirement board.

Deduction from salary.

Section 3. That clause six of section eight of said act is hereby amended to read as follows:

Clause 6 of section 8 amended.

Six. The employes' annuity savings fund shall consist of the accumulated deductions from the salaries of contributors, made under such rules and regulations as the retirement board shall prescribe, as follows:

Employes' annuity savings fund.

From the salary of each employe who is a contributor there shall be deducted such per centum of his or her earnable salary, [not exceeding two thousand dollars per annum,] as shall be computed to be sufficient, with regular interest, to procure for him or her, on superannuation retirement at age of sixty-two, an employe's annuity equal to one one-hundred-sixtieth (1/160) of his or her final salary for each year of service after the thirtieth day of June, nineteen hun-

dred and nineteen; except that, if the deduction so computed shall exceed five per centum of his or her earnable salary, and the employe shall so elect, there shall be deducted five per centum of his or her earnable salary; And further provided, That a beneficiary restored to school service shall not be required to contribute at a per centum rate of his or her earnable salary which is greater than the per centum thereof which he or she was required to contribute prior to his or her retirement. The rate per centum of said deduction from salary shall be based on such mortality and other tables as the retirement board shall adopt, together with regular interest, and shall be computed to remain constant during the prospective school service of the contributor.

Section 11 amend-
ed.

Section 4. That section eleven of said act is hereby amended to read as follows:

Service Allowance.

Service allowed.

Section 11. In computing the length of service of a contributor for retirement purposes, under the provisions of this act, full credit shall be given to each contributor by the retirement board for each school year of service as an employe, as defined in section one, paragraph seven of this act, *and for each school year for which credit is not otherwise provided for in this act and during which the contributor was a member of the American Expeditionary Force in the World War, or in activities connected therewith approved by the retirement board.* Under such rules and regulations as the retirement board shall adopt, each employe shall file with the retirement board a detailed statement of all such service rendered by him or her.

Certificate of prior
service.

As soon as practicable thereafter the retirement board shall verify such statement as to prior service, and shall issue to each employe a certificate certifying to the aggregate length of his or her prior service. Such certificate shall be final and conclusive as to his or her prior service, unless thereafter modified: (a) by the retirement board, upon application by employe; or (b) by the State Superintendent of Public Instruction, upon application by the employe or by the retirement board; provided such application for modification be made to said State Superintendent of Public Instruction within one year after the issuance of a certificate or a modified certificate by the retirement board. A certificate for prior service issued to a present employe shall certify the total number of completed years of prior service allowance for said present employe to and including the thirtieth day of June, nineteen hundred nineteen. The time during which an employe is absent without pay shall not be counted in computing the prior service, the total service, or the

Modification of
certificate.

average salary of a contributor, unless allowed by the employer by whom said contributor was employed at the time said leave of absence was granted, and, further, unless said allowance is approved by the retirement board.

Section 5. That section fourteen, clause three of said act is hereby amended to read as follows:

Section 14, clause
3 amended.

Allowance on Superannuation Retirement.

Three. On retirement for superannuation, a contributor who is an employe shall receive a retirement allowance which shall consist of—

Retirement
allowed.

(a) [A teacher's] *An employe's* annuity, which shall be the actuarial equivalent of his or her accumulated deductions; and

(b) A state annuity of one one-hundred-sixtieth (1/160) of his or her final salary for each year of service [prior to the age of sixty-two years]; and

(c) In addition thereto, if a present employe, a further State annuity of one one-hundred-sixtieth (1/160) of his or her final salary for each year of prior service, as certified to said present employe in the certificate issued to him or her by the retirement board under the provisions of section [ten] *eleven* of this act [but in no event shall the total State annuity exceed fifty per centum of his or her final salary].

Section 6. Subject to such rules and regulations as the retirement board may adopt, the provisions of this act shall be applicable beginning July first, one thousand nine hundred and twenty-five, to all who are on the retired list of Pennsylvania public school employes at the time this bill becomes a law. Except in the case of disability retirement, no employe shall be required to make up any payments for the school years nineteen hundred nineteen to nineteen hundred twenty-five, inclusive.

Time of applica-
tion.

APPROVED—The 7th day of April, A. D. 1925.

GIFFORD PINCHOT.