

Section 6. Transmittal of Documents.—The Secretary of the Commonwealth shall transmit a duly authenticated copy of this act and the compact contained herein to each jurisdiction now party to the compact and to each jurisdiction which subsequently shall become party to the compact.

Section 7. Effective Date.—This act shall take effect immediately.

APPROVED—The 22nd day of March, A. D. 1956.

GEORGE M. LEADER

No. 422

AN ACT

Amending the act of June twenty-seven, one thousand nine hundred twenty-three (Pamphlet Laws 858), entitled "An act establishing a State employes' retirement system, and creating a retirement board for the administration thereof; establishing certain funds from contributions by the Commonwealth and contributing State 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 the heads of departments in which State employes serve; excepting annuities, allowances, returns, benefits, and rights from taxation and judicial process; and providing penalties," providing for retirement of members of the General Assembly, their superannuation retirement age, annual salary or annual earnable salary and final salary, and authorizing certain members of the General Assembly to join the retirement association by making back payments.

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

State employes' retirement system.

Section 1. Clauses sixteen and seventeen of section one, act of June twenty-seven, one thousand nine hundred twenty-three (Pamphlet Laws 858), entitled "An act establishing a State employes' retirement system, and creating a retirement board for the administration thereof; establishing certain funds from contributions by the Commonwealth and contributing State 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 the heads of departments in which State employes serve; excepting annuities, allowances, returns, benefits, and rights from taxation and judicial process; and providing penalties," clause seven-

Clauses 16 and 17, section 1, act of June 27, 1923, P. L. 858, clause 17, amended July 29, 1953, P. L. 993, amended.

teen, amended July twenty-nine, one thousand nine hundred fifty-three (Pamphlet Laws 993), are amended to read:

Section 1. Be it enacted, &c., That the following words and phrases as used in this act, unless a different meaning is plainly required by the context, shall have the following meanings:

* * * * *

Superannuation Retirement Age.

16. "Superannuation Retirement Age" shall mean as applied to State employes, *except members of the General Assembly, sixty years of age and as to members of the General Assembly fifty years of age.*

Final Salary.

17. "Final Salary" shall mean the highest average annual salary earnable by a contributor as a State employe during any five years of service preceding retirement, except, that [at the member's option, the salary earnable by a contributor as a State employe for the years beginning June first, one thousand nine hundred thirty-three, and June first, one thousand nine hundred thirty-four, shall not be included in determining such "final salary"] *in the case of a member of the General Assembly "final salary" shall be six thousand dollars (\$6000).*

* * * * *

Subsection (5), section 7, act of June 27, 1923, P. L. 858, amended May 20, 1949, P. L. 1641, amended and two new subsections (7) and (8), added.

Section 2. Subsection (5) of section seven of the act, amended May twenty, one thousand nine hundred forty-nine (Pamphlet Laws 1641), is amended and two new subsections are added to read:

Duties of Heads of Departments.

Section 7.* * * * *

(5) The head of each department shall cause to be deducted on each and every payroll of a contributor, for each and every payroll period subsequent to December thirty-first, nineteen hundred twenty-three, such per centum of the total amount of salary earnable by the contributor in such payroll period as shall be certified to the head of each department by the retirement board as proper, in accordance with the provisions of this act. In determining the amount earnable by a contributor, the retirement board may consider the rate of salary payable to such contributor on the first day of each regular payroll period as continuing throughout such payroll period, and it may omit salary deductions for any period less than a full payroll period in cases where the member was not a contributor on the first day of the regular payroll 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. In the case of members of the General Assembly as a class, for the purposes of this act, [the compensation received for each regular and special session, if any, of the Assembly, shall be construed to be] the annual salary or annual earnable salary of each member shall be six thousand dollars (\$6000). The deduction provided herein shall be made notwithstanding that minimum salaries or other compensation provided for by the laws, rules, or regulations of the Commonwealth shall be thereby reduced. The head of each department shall certify to the Treasurer of the Commonwealth, on account of each and every payroll of the contributor, a statement as voucher for the amounts so deducted, and shall send a duplicate of such statement to the secretary of the retirement board.

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(7) Each member of the General Assembly provided for by subsection (3) of section thirteen of this act shall pay, in addition to the contribution required by subsection (6) of section eight of this act, an amount equal to twenty-five per centum thereof for each year of service beginning December one, one thousand nine hundred fifty-four.

(8) Any member of the General Assembly who is not a member of the retirement association on the effective date of this act may elect, prior to the expiration of his or her present term in the General Assembly, to become a new member of the retirement association as of the date when he or she became a member of the General Assembly as covered by subsection (3) of section thirteen upon payment to the retirement association of a sum equal to all back payments which he or she would have made had he or she become a member of the retirement association on or before December 31, 1947, if a member of the General Assembly at that time, otherwise on the date he or she became a member of the General Assembly. Back payments may be spread over a period of years by having the regular payroll deduction of the member increased by not less than one-third of the amount thereof. The deduction increase shall be credited to the back payments owing and shall be continued until the amount thereof is paid in full. Deduction increases may be anticipated at any time. If the member is retired under the provisions of this act before the back payments have been completed, the combined member's annuity and State annuity provided for by these amendments shall be reduced by an amount equivalent to the unpaid back payments or deduction increases not anticipated.

Subsection (3), section 11, act of June 27, 1923, P. L. 858, amended July 5, 1947, P. L. 1342, further amended.

Section 3. Subsection (3) of section eleven of the act, amended July five, one thousand nine hundred forty-seven (Pamphlet Laws 1342), is amended to read:

Withdrawal

Section 11. * * * * *

(3) Should a member be discontinued from service, not voluntarily, after having completed ten years of total service or voluntarily after having completed twenty-five years of total service, or should a member of the General Assembly discontinue his service as such member, voluntarily or involuntarily, after having served [during five regular sessions] *ten years as a member of the General Assembly*, but in any case before reaching superannuation retirement age, he or she shall be paid as he or she may elect as follows:

(a) The full amount of the accumulated deductions standing to the credit of his or her individual account in the annuity savings account; or

(b) [An] *Except as provided in clause (c) of this subsection an annuity of equivalent actuarial value to his or her accumulated deductions, and in addition, 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 and with the privileges of the same options provided for in sections thirteen and fourteen of this act with respect to State annuities for superannuation retirement.*

(c) *If the member is a member of the General Assembly provided for by subsection (3) of section thirteen of this act, 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 and with the privileges of the same options provided for in subsection (3) of section thirteen and in section fourteen of this act with respect to such annuities for superannuation retirement.*

Subsection (2), section 13, act of June 27, 1923, P. L. 858, amended January 19, 1952, P. L. 2176, further amended, and clause (f) added, and subsection (3) added.

Section 4. Subsection (2) of section thirteen of the act, amended January nineteen, one thousand nine hundred fifty-two (Pamphlet Laws 2176), is amended and subsection (3) is added to read:

Section 13. Retirement for superannuation shall be as follows:

* * * * *

(2) On retirement for superannuation, a contributor shall receive a retirement allowance which *(except for the service as a member of the General Assembly provided for by subsection (3) of this section and the accumulated deductions related thereto) shall consist of—*

(a) A member'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) or one one-hundredth (1-100) of his or her final salary for each year of total service, except in the case of members who, upon becoming members subsequent to December thirty-first, one thousand nine hundred and twenty-four, elected or hereafter elect not to make back payments, in which case the State annuity shall be calculated only for each year of total service while a member; and

(c) In addition thereto, if an original member of the retirement association, a further State annuity of one one-hundred sixtieth (1-160) or one one-hundredth (1-100) of his or her final salary for each year of prior service, as certified to said original member in the certificate issued to him or her by the retirement board under the provisions of section ten of this act; but in no event shall the total State annuity exceed fifty per centum of his or her final salary.

(d) In addition thereto, an additional State annuity which shall be equivalent to the amount, if any, by which the employe's annuity is less than the State annuity for service rendered after the thirty-first day of December, one thousand nine hundred twenty-three, but in no event shall the total State annuity exceed fifty per centum of his or her final salary.

(e) In addition thereto, in the event of the retirement after ninety days from the effective date of this act of any contributor in the one one-hundredth (1-100) class, a further State annuity which shall be equivalent to the amount, if any, by which the superannuation retirement allowance otherwise payable is less than one thousand two hundred dollars (\$1200) where the contributor has twenty-five years or more of credited service in this Commonwealth, or if less than twenty-five years of such service then such proportional amount of such one thousand two hundred dollars (\$1200) as the years of such credited service bear to twenty-five years, but in no event shall the total State annuity exceed fifty per centum of his or her final salary.

(f) *If the contributor has credit for service as a member of the General Assembly provided for by subsection (3) of this section but is not a member of the General Assembly at the time of retirement, (i) he or she shall receive, in addition to the foregoing annuities provided for by this subsection (2), a combined member's annuity and State annuity equal to two and one-half one-hundredths ($2\frac{1}{2}$ -100) of his or her final salary as a member of the General Assembly for each year of service as a member of the General Assembly provided*

for by subsection (3) of this section, or (ii) his or her accumulated deductions and years of service as a member of the General Assembly shall be included with his or her other accumulated deductions and years of other State service whichever will yield the greater return.

(3) On retirement for superannuation, a contributor who is a member of the General Assembly shall receive a retirement allowance which shall consist of a combined member's annuity and State annuity equal to two and one-half one-hundredths ($2\frac{1}{2}/100$) of his or her final salary for each year of total service as a member of the General Assembly provided for by the second paragraph of this subsection and, in addition thereto, if a member of the General Assembly at the time of retiring has credit for State service other than as a member of the General Assembly, he or she shall receive with respect to such other service the member's annuity provided for in clause (a) of subsection (2) of this section and State annuities provided for in clauses (b), (c), (d) and (e) in so far as they are applicable or if the contributor has not reached the age of sixty years, the State annuities having a value equal to the present value of the State annuities beginning at superannuation retirement age sixty.

The provisions of this subsection shall apply to all contributors who were members or members elect of the General Assembly on December one, one thousand nine hundred fifty-four, with respect to all years of service as a member of the General Assembly before and after that date and to all contributors becoming members of the General Assembly after December one, one thousand nine hundred fifty-four, with respect to years of service as members of the General Assembly after that date only. Any period of service as a member of the General Assembly not specifically provided for by these amendments shall entitle the contributor to the same rights as for State service other than as a member of the General Assembly.

Section 5. Sections 14.1 and 14.2 of the act, added July twenty-nine, one thousand nine hundred fifty-three (Pamphlet Laws 993), are amended to read:

Retirement as of Time of Death

Sections 14.1 and 14.2, act of June 27, 1923, P. L. 858, added July 29, 1953, P. L. 993, amended.

Section 14.1. Any contributor who is entitled to retire under the provisions of this act, by reason of having completed twenty-five (25) years of total service or by reason of having reached superannuation retirement age, and any member of the General Assembly having completed ten (10) years as a member of the General Assembly, 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 section fourteen, 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 retirement, 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.

Retirement While in State Service

Section 14.2. Any contributor who is or was entitled to retire under the provisions of this act, by reason of having completed twenty-five (25) years of total service or by reason of having reached superannuation retirement age, *and any member of the General Assembly having completed ten (10) years as a member of the General Assembly*, and who shall die while in State service before filing with the retirement board a written application for retirement as heretofore provided, or has died and whose payments into the fund have not been withdrawn, shall be considered as having elected Option 1, as provided in section fourteen of this act, as of the date of his or her 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. If said beneficiary has predeceased the contributor, payment under Option 1 shall be made to the legal representative of said contributor.

Section 6. This act shall take effect immediately.

Act effective
immediately.

APPROVED—The 24th day of March, A. D. 1956.

GEORGE M. LEADER

No. 423

AN ACT

Amending the act of May thirty-one, one thousand eight hundred ninety-three (Pamphlet Laws 138, No. 133), entitled "An act designating the days and half days to be observed as legal holidays, and for the payment, acceptance and protesting of bills, notes, drafts, checks and other negotiable paper on such days," changing the name of Armistice Day to Veterans' Day.

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

Banks and
Banking.