

No. 167

AN ACT

Amending the act of July 18, 1917 (P. L. 1043), 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," changing the definition of employe with respect to Pennsylvania State University and providing for their transfer to the Public School Employes' Retirement System.

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

Public school employes' retirement system.

Section 1. Clause (7) of section 1, act of July 18, 1917 (P. L. 1043), 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," amended May 27, 1949 (P. L. 1888), is amended to read:

Clause (7), section 1, act of July 18, 1917, P. L. 1043, amended May 27, 1949, P. L. 1888, further amended.

Definitions.

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:—

* * * * *

(7) "Employe" shall mean any teacher, principal, supervisor, supervising principal, county superintendent, district superintendent, assistant superintendent, any member of the staff of the State Teachers' Colleges, or of the staff of the Thaddeus Stevens Trade School, or of the staff of the Pennsylvania State Oral School for the Deaf, or of the staff of the Pennsylvania Soldiers' Orphan School, or of the staff of the State Department of Public Instruction, or of the staff of the State Council of Education, or any clerk, stenographer, janitor, attendance officer, or other person engaged in any work concerning or relating to the public schools of this Com-

monwealth, or in connection therewith, or under contract or engagement to perform one or more of these functions: Provided, That no person shall be deemed an employe, within the meaning of this act, who is not regularly engaged in performing one or more of these functions as a full-time occupation, outside of vacation periods. In all cases of doubt the retirement board shall determine whether any person is an employe as defined in this act: And provided further, That those employes of the Department of Public Instruction, State Teachers' Colleges, Thaddeus Stevens Trade School, Pennsylvania State Oral School for the Deaf and Pennsylvania Soldiers' Orphan School who are members of or are entitled to membership in the retirement system herein established may withdraw from the system, and be entitled to reimbursement of moneys which they have paid in, by so electing in writing filed with the retirement board on or before the first day of July, one thousand nine hundred and fifty. After said date all new employes in the Department of Public Instruction, State Teachers' Colleges, Thaddeus Stevens Trade School, Pennsylvania State Oral School for the Deaf and Pennsylvania Soldiers' Orphan School shall be members of said system, unless they elect otherwise in writing filed with the retirement board within six months after beginning their employment.

In every case where any officer or employe of the Department of Public Instruction, State Teachers' Colleges, Thaddeus Stevens Trade School, Pennsylvania State Oral School for the Deaf, Pennsylvania Soldiers' Orphan School withdraws from the system and becomes a member of the State Employes' Retirement Association after the effective date of this amendment, the Public School Employes' Retirement Board shall transfer to the State Employes' Retirement Fund from the School Employes' Retirement Fund, an amount equal to all contingent and State annuity reserves of such officer or employe in the School Employes' Retirement Fund, as determined by the Public School Employes' Retirement Board. *Employe shall also mean any officer or employe of the Pennsylvania State University with previous membership and service credits in this system, who elects to retain membership in this system or to transfer membership and service credits from the State Employes' Retirement System to this system.*

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Act of July 18,
1917, P. L. 1043,
amended by
adding a new
section 12.2.

Section 2. The act is amended by adding, after section 12.1, a new section to read:
Transfer of Pennsylvania State University Employes to the Public School Employes' Retirement System.

Section 12.2. Any officer or employe of the Pennsylvania State University may make written request to the retirement board to grant him membership in the Public School Employes' Retirement System and to give him credit for previous service for which credit was allowed in the State Employes' Retirement System, provided such employe was formerly an employe of the public school system of this Commonwealth and had made contributions and on account of whose service contributions had been 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. The retirement board shall grant such membership and credit the member with such period of service upon the fulfillment of the following conditions:

(1) There shall be furnished to the retirement board by the State Employes' Retirement Board a statement certifying (i) that provisions of the act under which the State Employes' Retirement System is administered have been complied with, and (ii) all service heretofore credited as a member of the State Employes' Retirement System which is to be considered thereafter as having been rendered as a member of the Public School Employes' Retirement System.

(2) The transfer to the Public School Employes' Retirement Fund from the State Employes' Retirement Fund of an amount equal to (i) the accumulated deductions to the credit of such contributor, and (ii) the contingent account or State Annuity Account No. 2 carried on account of such member in the State Employes' Retirement Fund as determined by the State Employes' Retirement Board.

(3) The payment into the Public School Employes' Retirement Fund of a sum equal to the amount of back payments that would have been made by such contributor, together with the interest, which would have been credited on such back payments under the rules of the Public School Employes' Retirement Board on the basis of the entry age and the percentage of salary deductions required of such contributor because of the crediting of such previous service. The amount of transferred accumulated deductions shall be applied towards the back payments with interest, 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 by the time the member reaches superannua-

tion retirement age or, if the member has reached superannuation retirement age, by payment of such balance of back payments within six months of the effective date of this act. In the event that the transferred accumulated deductions exceed the amount of the back payments with interest, the excess would be applicable towards future salary deductions of the contributor.

*(4) The reserve which is transferred from the contingent account of State Annuity Reserve Account No. 2 shall be applied towards providing the required reserve in the Public School Employes' Retirement Fund. If such transferred reserve is greater than the required reserve the excess shall be applicable *toward future contributions **for the cost of the State annuity related to the future credits. If such transferred reserve is less than the required reserve, the deficiency shall be paid by the Commonwealth to complete the funding of the State annuity related to the transferred credits.*

Act effective immediately.

Section 3. This act shall take effect immediately.

APPROVED—The 14th day of June, A. D. 1957.

GEORGE M. LEADER

No. 168

A SUPPLEMENT

To the act of June 27, 1923 (P. L. 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," authorizing the Public School Employes' Retirement Board to realow credit for service of certain State and Pennsylvania State University employes.

Retirement.

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

Supplement to act of June 27, 1923, P. L. 858.

Section 1. Any State employe who is a contributor to the State Employes' Retirement System on the effective date of this act and who as an employe under the public school system of this 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 System on account

* "towards" in original.

** "toward" in original.