

[(e)] In determining the need for any further state annuity payable under subsection * 3 II (B) (d) of this section, the primary insurance amount of social security paid or payable to a member shall be included with the superannuation retirement allowance as the basis for computing such need.]

[(f)] (e) Whenever the amount of the reduction from the retirement allowance shall have been once determined, it shall remain fixed for the duration of the allowance, except that any decrease in the primary insurance amount under the social security act shall result in a corresponding decrease in the amount of the reduction from the allowance.

[(g)] (f) The total sum including social security benefits to be received upon retirement by an employe who is a member of the system at the time of the change shall not be less than the allowance that would be paid by the retirement system in the absence of such change.

Section 15 of the act, amended June 22, 1931, P. L. 864, further amended by adding a new paragraph.

Section 6. Section 15 of the act, amended June 22, 1931 (P. L. 864), is amended by adding a new paragraph at the end of the section to read:

OPTIONS.

Section 15. * * *

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In calculating the retirement allowance payable to a joint coverage member under an option enumerated in this section which is the actuarial equivalent of a retirement allowance adjusted under the provisions of paragraph (C) of subsection 1.1 of section 12 and of clause 5 of section 14, the present value of such adjusted retirement allowance shall be determined by taking into account the reduction applicable upon attainment of the age at which benefits are payable.

APPROVED—The 13th day of July, A. D. 1957.

GEORGE M. LEADER

No. 393

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

* "clause" in original.

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," providing credit for retirement purposes for out-of-state service in certain cases.

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

Public school employes' retirement system.

Section 1. Section 11.1 of 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," amended by the act of July 28, 1953 (P. L. 684), is amended to read:

Section 11.1, act of July 18, 1917, P. L. 1043, amended July 28, 1953, P. L. 684, further amended.

Section 11.1. Any contributor who has had service in states, territories or areas under the jurisdiction of the United States, besides this Commonwealth, as an employe in any public school or institution, or who has served as an administrator, teacher or instructor in the field of education for any agency or department of the government of the United States, whether or not the area served was under the jurisdiction of the United States, for a period of at least one year, and who (i) submits proof satisfactory to the retirement board of all or part of such service, (ii) files an affidavit, in the form prescribed by the retirement board, stating that he or she is not entitled to a deferred retirement allowance for such service, and, in the case of contributors becoming members after the effective date of this amending act, that he or she has not forfeited any vested right to a deferred retirement allowance for such service, and (iii) pays or agrees to pay, as hereinafter provided, into the School Employes Retirement Fund, an amount equal to the contributions which would have been collected from such contributor for the period of such service, had such service been rendered in this Commonwealth, at his or her earnable salary for the school year in which application for credit for out-of-state service is made, figured at the contributor's current percentage of salary deduction, together with an additional amount as the equivalent of the contributions of the school district and the Commonwealth on account of such service, shall be credited with such years of service for retirement purposes. Such credit shall not exceed ten years, nor the number of years between the age of the con-

Credit for retirement purposes for out-of-state service provided in certain cases.

Requirements.

Extent of credit.

tributor at the time he or she becomes a member and the age at retirement, nor the number of years of credited service in this Commonwealth.

Time of filing application for credit.

Application in writing for [such] credit for service in states, territories or areas under the jurisdiction of the United States, besides this Commonwealth, as an employe in any public school or institution or as a teacher, administrator or instructor in the field of education for any agency or department of the government of the United States having supervision of schools, whether or not such area was under the jurisdiction of the United States, must be made to the retirement board within three years after the applicant becomes a member of the retirement system, or, in the case of applicants who are members on the effective date of this amending act, [within three years from that date] on or before October 1, 1960.

Methods for payment of required contributions.

The contributions required to be paid for such service credit may be paid in a lump sum, or by installments, agreed upon by the contributor and the retirement board. Installment payments must begin on or before October 1, 1960 [within the period of three years from the effective date of this act] or before the contributor has completed three years of service in this Commonwealth. All such contributions shall be credited in equal amounts to the member's annuity savings account and the Contingent Reserve Account if a new entrant, or the State Annuity Reserve Account Number Two if a present employe. In the event that a contributor withdraws from the retirement system, or retires on superannuation or disability retirement before such contributions are fully paid, the employe's annuity and his State annuity shall be credited with the number of years of out-of-state service or fractional parts thereof, for which he has purchased credit, to the date of application for retirement. In the event that a contributor separates from the retirement system otherwise than by superannuation, disability or withdrawal allowance, the amount paid by him under this section as the equivalent of the contributions of the school district and the Commonwealth shall be paid to him or to a designated beneficiary at his request. Any contributor who has purchased an annuity under the provisions of subsection six point one of section eight of this act may forfeit such annuity, and direct that the money paid into the School Employees Retirement Fund therefor be applied to the contributions required by this section.

Crediting such contributions.

Withdrawal of contributor from retirement system, or retirement before contributions fully paid.

Repayments to contributors in case of separation from retirement system in certain cases.

Forfeiture of annuity and direction that money paid therefor be applied to required contributions.

Act effective immediately.

Section 2. This act shall take effect immediately.

APPROVED—The 13th day of July, A. D. 1957.

GEORGE M. LEADER