

ipalities of tax delinquent properties at sheriff sale or tax claim bureau.

\* \* \* \* \*

Section 2. The act is amended by adding, after section 3, a new section to read:

Act amended by adding a new section 3.1.

*Section 3.1. Where there is a transfer of a residential property by a licensed real estate broker which property was transferred to him within the preceding year as part of the consideration for the purchase of other residential property, a credit for the amount of the tax paid at the time of the transfer to him shall be given to him toward the amount of the tax due upon the transfer. If the tax due upon the transfer from the licensed real estate broker is greater than the credit given for the prior transfer, the difference shall be paid, and if the credit allowed is greater than the amount of the tax due, no refund shall be allowed.*

Section 3. This act shall take effect immediately and as to the definition of "Document" shall apply to all transfers from corporations operating State-aided housing projects after January 1, 1963.

Effective date and applicability.

APPROVED—The 27th day of August, A. D. 1963.

WILLIAM W. SCRANTON

No. 525

AN ACT

Amending the act of June 1, 1959 (P. L. 350), entitled "An act relating to the retirement of public school employes; amending, revising, consolidating and changing the laws relating thereto," redefining multiple service and the computation of benefits for members with multiple service, changing certain definitions, providing for dual coverage, further providing for multiple service credit in the case of certain members, further regulating the reduction of superannuation and withdrawal allowances and granting an option as to the method of receiving certain benefits.

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

Public School Employes' Retirement Code of 1959.

Section 1. Clauses (7), (15.1) and (23) of section 102 of the act of June 1, 1959 (P. L. 350), known as the "Public School Employes' Retirement Code of 1959," clause (15.1) added and clause (23) amended August 4, 1959 (P. L. 599), are amended to read:

Clauses (7), (15.1) and (23), section 102 of act of June 1, 1959, P. L. 350: clause (15.1) added and clause (23) amended August 4, 1959, P. L. 599, further amended.

Section 102. Definitions.—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) "School employe" shall mean any teacher, principal, supervisor, supervising principal, county superintendent, district superintendent, assistant superintendent, any member of the staff of a public school or any clerk, stenographer, janitor, attendance officer or other person engaged in any work concerning or relating to a public school or in connection therewith or under contract or engagement to perform one or more of these functions, and any officer or employe of the Pennsylvania State University with previous membership and service credits in the retirement system, who elects to retain membership in the retirement system or to transfer membership and service credits from the State Employes' Retirement System according to the provisions of article VII. section 703: Provided, That no person shall be deemed a school 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. *For the purposes of this act, a full-time employe shall include employes of the board of education or board of school directors regularly engaged five (5) hours or more each school day for a period of three (3) consecutive months, or its equivalent in consecutive hours of service, and paid from funds of the school board or funds under the jurisdiction of the school board on an hourly, daily, monthly or annual basis.*

In all cases of doubt, the retirement board shall determine whether any person is a school employe as defined in this act.

\* \* \* \* \*

(15.1) "Multiple service" shall mean [\*nonconcurrent] service of a contributor in more than one class of membership in either the Public School Employes' Retirement System or the State Employes' Retirement System, or both, for which credit is allowed under the provisions of this code or the State Employes' Retirement Code, or both.

\* \* \* \* \*

(23) "Final average salary" shall mean the highest average annual compensation of a contributor as a school employe during any five (5) nonoverlapping periods of twelve (12) consecutive months of contributory service. In the case of any contributor with credit for multiple service, final average salary shall mean the highest average annual compensation received by a contributor as

\* "noncurrent" in original.

a school employe or as a State employe during any five (5) nonoverlapping periods of twelve (12) consecutive months of contributory service *except as provided by section 401 subsection (1.1).*

\* \* \* \* \*

Section 2. Section 203 of the act is amended to read: Section 203 of act, amended.

Section 203. *Joint and Dual Coverage of Contributors Under Retirement System and Social Security.*—The membership of each class defined in section 202 subsection (1) shall belong to one of the following groups:

(1) *Joint Coverage Group*, consisting of any school employe who [shall] *has become a contributor subsequent to May 28, 1957, and prior to January 1, 1966, or who having become a contributor on or before [such date] May 28, 1957, shall have filed with the retirement board a written statement that he elects social security coverage under an agreement with the Federal Secretary of Health, Education and Welfare entered into by the Commonwealth for school employes and except any such employe who elects after July 1, 1964, and prior to January 1, 1966, to become a member of the dual coverage group.*

(2) *Single Coverage Group*, consisting of any school employe who became a contributor on or before May 28, 1957, and who either has filed with the retirement board a written statement that he does not elect social security coverage under any agreement with the Federal Secretary of Health, Education and Welfare entered into by the Commonwealth for school employes or has not filed with the retirement board any written statement electing such coverage.

(3) *Dual Coverage Group, consisting of—*

(a) *Any school employe who is a member of the joint coverage group and who after July 1, 1964, and prior to January 1, 1966, files an election with the retirement board to make contributions without the reduction provided for in section 301 subsection (4) and whose superannuation retirement allowance or withdrawal allowance shall be computed without the reduction provided by section 403 subsection (1): Provided, That he makes the back contributions required under section 302 subsection (2.1).*

(b) *Any school employe who shall become a contributor subsequent to December 31, 1965, regardless of previous membership in the system.*

Section 3. Section 210 of the act, amended August 4, 1959 (P. L. 599), is amended to read:

Section 210. *Restoration of Service Credits Forfeited Upon Separation from Service.*—

Section 210 of act, amended August 4, 1959, P. L. 599, further amended.

(1) Each contributor who separates or has separated from the school service at any time and returns or has returned to service as a school employe shall have the credited service forfeited by him at the time of separation from service restored in full to him as of the date he shall have restored to the retirement fund to the credit of the employes' annuity savings account his accumulated deductions as they [were] *would have been* at the time of his separation *had none of such service been rendered as a member of the joint coverage group* in accordance with the provisions of article III. section 302 subsection (7).

(2) In no case shall, an employe who has separated from school service and who later returned to school service after five (5) or more years of absence, be eligible to retirement on account of disability until he shall have rendered at least three (3) years of school service subsequent to such return.

Each contributor who separates or has separated from the school service at any time and subsequently is employed or has been employed as a State employe and a contributor to the State Employes' Retirement System shall have the credited service forfeited by him at the time of separation from service restored in full to him as of the date he shall have restored to the retirement fund to the credit of the employes' annuity savings account his accumulated deductions as they [were] *would have been* at the time of his separation *had none of such service been rendered as a member of the joint coverage group* in accordance with the provisions of article III. section 302 subsection (7).

First paragraph, subsection (1), and clause (b.1), subsection (2), section 301 of act, clause (b.1) added August 4, 1959, P. L. 599, amended.

Section 4. The first paragraph of subsection (1) and clause (b.1) of subsection (2) of section 301 of the act, clause (b.1) added August 4, 1959 (P. L. 599), are amended to read:

Section 301. Members' Contributions on Account of Current Service.—

(1) From the compensation of each member of the single or dual coverage group who is a contributor, there shall be deducted and paid into the fund to the credit of the employes' annuity savings account, by the State Treasurer through the Department of Revenue, such percent of his compensation as shall be computed according to his class of membership as follows:

\* \* \* \* \*

(2) The deductions from compensation in accordance with subsection (1) of this section shall be subject to the following conditions:

\* \* \* \* \*

(b.1) In the case of a former contributor to the State Employees' Retirement System who becomes a school employe and a contributor and who has accumulated deductions to the credit of the members' annuity savings account in the State Employees' Retirement Fund or who shall have agreed as of the date of becoming a contributor to restore his accumulated deductions *as they would have been had none of such services been rendered as a member of the joint coverage group* to the members' annuity savings account in a manner agreed upon by the employe and the State Employees' Retirement Board, the rate of deduction from compensation shall be determined on the basis of the age which was used to determine the rate of contribution to the State Employees' Retirement Fund prior to separation from the State Employees' Retirement System.

\* \* \* \* \*

Section 5. Section 302 of the act is amended by adding, after subsection (2), a new subsection to read:

Section 302 of act amended by adding a new subsection (2.1).

Section 302. Members' Contributions on Account of Past Service.—

\* \* \* \* \*

(2.1) *Any school employe who is a member of the joint coverage group who, after July 1, 1964, and prior to January 1, 1966, elects to become a member of the dual coverage group, shall pay to the fund within one (1) year of such election and any former member of the joint coverage group who returns to service after December 31, 1965, and who did not withdraw his accumulated deductions, shall pay to the fund within one (1) year of return to service an amount equal to the difference between his accumulated deductions as of the date of his election or return to service and the accumulated deductions which would have been to his credit if contributions had been made without the reduction provided for in section 301 subsection (4).*

\* \* \* \* \*

Section 6. Subsection (7) of section 302 of the act, amended December 30, 1959 (P. L. 2075), is amended to read:

Subsection (7), section 302 of act, amended December 30, 1959, P. L. 2075, further amended.

Section 302. Members' Contributions on Account of Past Service.—

\* \* \* \* \*

(7) Any school employe entitled to credit under the provisions of article II, section 210 shall pay into the fund his accumulated deductions as they [were] *would have been* at the time of separation from service *had none of such service been rendered as a member of the joint coverage group*, such payment to be made in a

lump sum or any actuarial equivalent approved by the retirement board.

First paragraph, subsection (1) and subsection (1.1), section 401 of act, subsection (1) amended and subsection (1.1) added August 4, 1959, P. L. 599, further amended.

Section 7. The first paragraph of subsection (1) and subsection (1.1) of section 401 of the act, subsection (1) amended and subsection (1.1) added August 4, 1959 (P. L. 599), are amended to read:

Section 401. Superannuation Retirement Allowances.—

(1) Upon retirement at or after superannuation retirement age, a contributor who is a member \*of [a] *the single or dual* coverage group whose entire service shall have been in one class of membership and who has made application in accordance with the provisions of article V. section 505 subsection (4) shall receive a superannuation retirement allowance in accordance with the following provisions:

\* \* \* \* \*

(1.1) A contributor who is a member of the single *or dual* coverage group and becomes eligible for a superannuation retirement allowance while a member of any one class of membership in either the Public School Employes' Retirement System or the State Employes' Retirement System and at that time or thereafter applies for a superannuation retirement allowance in accordance with the provisions of article V. section 505 subsection (4) and at the time of application has credit for multiple service, shall receive a superannuation retirement allowance which shall be the sum of the annuities computed separately with respect to service in each class of membership for which the contributor has received credit in accordance with the appropriate provisions of section 401 subsection (1) of this article or article IV. section 401 subsection (1) of the State Employes' Retirement Code: Provided, That (i) the final average salary used in the computation of the retirement allowance attributable to each class of membership shall be computed with reference to the contributor's total credited service, (ii) the State annuity or combined member's and State annuity, as the case may be, computed for service in any class of membership for which the superannuation retirement age is greater than the age of the contributor at the effective date of superannuation retirement shall have a value equal to the present value of such annuity beginning at the superannuation retirement age for such class of membership, [and] (iii) in the case of a contributor who has transferred from Class B to Class A in the State Employes' Retirement System and who has not made back payments according to the provisions of article III. section 302 subsection (2) (g) of the State

\* "of" not in original.

Employes' Retirement Code, the prior service component applicable to an original member shall equal one one-hundred-sixtieth (1/160) of his final average salary multiplied by total years of prior service multiplied by the ratio of years of contributory service at the one one-hundred-sixtieth (1/160) rate to total years of contributory service plus one one-hundredth (1/100) of his final average salary multiplied by total years of prior service multiplied by the ratio of years of contributory service at the one one-hundredth (1/100) rate to total years of contributory service, and (iv) in the case of any contributor who has credit for service rendered concurrently as a member of more than one class of service, all compensation for such concurrent service rendered during any month shall be combined for the purpose of determining final average salary. In using such final average salary for the purpose of computing benefits, such contributor's service shall be divided into periods of noncurrent service and periods of concurrent service. In computing the benefit attributable to any period of nonconcurrent service, such final average salary shall be applied in full. In computing the benefit attributable to any period involving concurrent service in more than one class of membership, such final average salary shall be prorated to the various classes of membership in proportion to the compensation received in each class of membership during such period of concurrent service.

\* \* \* \* \*

Section 8. Section 401 of the act is amended by adding, after subsection (2), a new subsection to read:

Section 401 of act, amended by adding a new subsection (2.1).

Section 401. Superannuation Retirement Allowance.—

\* \* \* \* \*

(2.1) *The retirement allowance computed in accordance with the applicable provisions of subsections (1) and (1.1) of this section shall be reduced by the actuarial equivalent of any amount payable by a member to the retirement board under subsection (2.1) of section 302.*

\* \* \* \* \*

Section 9. The first paragraph of subsection (2), the first paragraph of subsection (2.1) and clause (b) of subsection (2.1) of section 402 of the act, subsection (2) amended and subsection (2.1) added August 4, 1959 (P. L. 599) and clause (b) of subsection (2.1) amended April 28, 1961 (P. L. 167), are amended to read:

First paragraph, subsection (2), first paragraph, subsection (2.1), and clause (b), subsection (2.1), section 402 of act; subsection (2) amended and subsection (2.1) added August 4, 1959, P. L. 599, and clause (b), subsection (2.1) amended April 28, 1961, P. L. 167, further amended.

Section 402. Withdrawal Benefits.—

\* \* \* \* \*

(2) Upon discontinuance of service before reaching superannuation retirement age a contributor who has

completed twenty-five (25) years of credited service as a member of Class T-A and who is a member of the single or dual coverage group shall be paid as he shall elect as follows:

\* \* \* \* \*

(2.1) A contributor who is a member of the single or dual coverage group, who has credit for multiple service and whose service is discontinued voluntarily or involuntarily before reaching the superannuation retirement age specified for any class of membership for which he has credited service, and who applies for a withdrawal allowance, shall receive a voluntary or involuntary withdrawal allowance in accordance with the following provisions:

\* \* \* \* \*

(b) For each year of credited service a contributor shall be entitled according to class of membership to voluntary or involuntary withdrawal credits determined by reference to the following table:

Class of Membership (1)	Number of Withdrawal Credits for Each Year of Service	
	Voluntary Withdrawal Credits (2)	Involuntary Withdrawal Credits (3)
Public School Employes' Retirement System		
T-A	4	10
T-B	0	0
State Employes' Retirement System		
A	4	10
B	4	10
C	4	10
D	10	10
D-1	10	10
D-2	10	10
E	5	[5] 10
E-1	5	10

In determining eligibility for a voluntary withdrawal allowance only accumulated voluntary withdrawal credits determined with reference to columns (1) and (2) shall be added, and in determining eligibility for an involuntary withdrawal allowance only accumulated involuntary credits determined with reference to columns (1) and (3) shall be added.

\* \* \* \* \*



Section 10. Subsection (1) of section 403 of the act is amended by adding, after clause (c), a new clause to read:

Subsection (1), section 403 of act, amended by adding a new clause (c.1).

Section 403. Reduction of Superannuation Retirement Allowances and Withdrawal Allowances on Account of Social Security Old Age Insurance Benefits (Primary Insurance Amount).—

(1) The superannuation retirement allowance or the withdrawal allowance provided for in section 401 or section 402, as the case may be, of this article payable to a member of the joint coverage group after the age at which social security old age insurance benefits become payable, shall be reduced by an amount equal to forty (40) percent of the primary insurance amount of social security paid or payable to him. Such reduction shall be subject to the following provisions:

\* \* \* \* \*

*(c.1) The reduction in benefits in accordance with this subsection shall not be applied in the case of an annuitant until age sixty-five (65) unless such annuitant shall have elected to receive social security benefits prior to age sixty-five (65).*

\* \* \* \* \*

Section 11. Option 1, clause (b) of subsection (1) of section 404 of the act is amended to read:

Option 1, clause (b), subsection (1), section 404 of act, amended.

Section 404. Member's Option.—

(1) Upon superannuation retirement under the provisions of section 401 of this article or upon withdrawal under the provisions of section 402 of this article, a contributor who has made application according to the provisions of article V. section 505 subsection (5), may elect to receive his benefits in conformance with any one of the following plans.

\* \* \* \* \*

(b) The actuarial equivalent at the time of superannuation retirement or withdrawal of his member's annuity, his State annuity or his superannuation retirement allowance in (i) a lesser member's annuity, or (ii) a lesser State annuity, or (iii) a lesser superannuation retirement allowance or withdrawal allowance payable throughout life according to any one of the following provisions:

Option 1. If he dies before he has received in payments the present value of his member's annuity, his State annuity or his superannuation retirement or withdrawal allowance as it was at the time of his superannuation retirement or withdrawal, the balance *if less than five thousand dollars (\$5,000)* shall be paid *in a lump sum* to his legal representatives or to such person as he

shall nominate by written designation, duly acknowledged and filed with the retirement board. *If the balance is five thousand dollars (\$5,000) or more, the beneficiary may elect, by application duly acknowledged and filed with the retirement board, to receive payment of such balance according to any one of the following provisions:*

- (i) *A lump-sum payment,*
- (ii) *An annuity having a present value equal to the balance payable,*
- (iii) *A lump-sum payment and an annuity. Such annuity shall have a present value equal to the balance payable less the amount of the lump-sum payment specified by the beneficiary, but in no event shall the present value of such annuity be less than five thousand dollars (\$5,000).*

\* \* \* \* \*

Subsection (2),  
section 405.1  
of act, added  
August 4, 1959,  
P. L. 599,  
amended.

Section 12. Subsection (2) of section 405.1 of the act, added August 4, 1959 (P. L. 599), is amended to read:

Section 405.1. Annuitant's Allowance Upon Return to Service and Subsequent Retirement.—

\* \* \* \* \*

(2) Upon subsequent discontinuance of service, the allowance of a contributor who was formerly receiving a superannuation retirement allowance or a withdrawal allowance according to the provisions of the Public School Employes' Retirement System or the State Employes' Retirement System shall be computed according to the following provisions:

(a) A contributor who is a member of the single or dual coverage group and whose entire service shall have been in one class of membership shall receive an allowance computed with respect to total credited service according to the provisions of section 401 subsection (1) or section 402 subsection (2) of this article, as the case may be.

(b) A contributor who is a member of the single or dual coverage group and who has credit for multiple service shall receive an allowance with respect to total credited service according to the provisions of section 401 subsection [(2)] (1.1) or section 402 subsection [(3)] (2.1) of this article, as the case may be.

(c) A contributor who is a member of the joint coverage group [and who has credit for multiple service] shall receive an allowance with respect to total credited service according to the provisions of [section 401 subsection (2) or section 402 subsection (3)] *paragraph (a) or paragraph (b) of this subsection, as the case may be,*

but reduced according to the provisions of section 403 of this article.

Section 13. Subsection (13) of section 503 of the act, added December 17, 1959 (P. L. 1929), is repealed.

Subsection (13), section 503 of act added December 17, 1959, P. L. 1929, repealed.

Section 14. Section 504 of the act is amended by adding, at the end thereof, a new subsection to read:

Section 504 of act amended by adding a new subsection (10).

Section 504. Duties of Employers.—

\* \* \* \* \*

(10) *Each employer shall advise each employe who is eligible of his right to make an election to become a member of the dual coverage group.*

Section 15. Section 505 of the act is amended by adding, at the end thereof, a new subsection to read:

Section 505 of act, amended by adding a new subsection (9).

Section 505. Duties of School Employes.—

\* \* \* \* \*

(9) *Each school employe who is or becomes eligible for membership in the dual coverage group and who desires such membership shall file an election with the retirement board in accordance with the provisions of section 203 subsection (3).*

Section 16. This act shall take effect immediately.

Act effective immediately.

APPROVED—The 27th day of August, A. D. 1963.

WILLIAM W. SCRANTON

No. 526

AN ACT

Amending the act of May 25, 1933 (P. L. 1050), entitled "An act creating and establishing a fund for the care, maintenance, and relief of aged, retired and disabled employes of the bureau of fire in cities of the second class; creating a board for the management thereof; providing the mode and manner of payment to beneficiaries, and for the care and disposition of its funds; and providing for the transfer and payment of all moneys and securities in existing funds in similar boards superseded by the fund and board herein created," providing pensions for surviving spouses under certain terms and conditions.

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

Cities of second class.

Section 1. The act of May 25, 1933 (P. L. 1050), entitled "An act creating and establishing a fund for the care, maintenance, and relief of aged, retired and disabled employes of the bureau of fire in cities of the second class; creating a board for the management thereof; providing the mode and manner of payment

Act of May 25, 1933, P. L. 1050, amended by adding four new sections 9.2, 9.3, 9.4 and 9.5.