

No. 252

AN ACT

SB 1574

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," authorizing the retirement board to establish a plan to provide medical, major medical and hospitalization coverage for school annuitants.

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

Section 1. Subsection (14) of section 503 and subsection (10) of section 505, act of June 1, 1959 (P. L. 350), known as the "Public School Employes' Retirement Code of 1959," added November 10, 1965 (P. L. 833), are amended to read:

Section 503. Duties of the Retirement Board.—

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(14) The retirement board shall contract with a private insurance carrier or carriers or with a nonprofit hospitalization corporation, or nonprofit medical service corporation to establish a school annuitant plan providing medical, major medical and hospitalization coverage for school annuitants and perform such other duties as may be necessary to administer such plan, including notification to annuitants of the opportunity to enroll therein.

Upon receipt according to section 505, subsection (10), of the election of a school employe to convert his medical, major medical and hospitalization coverage to the State or school annuitant plan, the retirement board shall notify the carrier of such election and shall deduct the appropriate charges from the first retirement allowance or from subsequent retirement allowances if the amount to be deducted exceeds the first retirement allowance, transmitting such deductions to the designated fiscal officer of the Commonwealth having jurisdiction over the payment of such group charges on behalf of the annuitant.

It shall be the duty of the retirement board as to all persons who were enrolled for the medical, major medical and hospitalization plan for State or school employes who became annuitants on or after May 1, 1965 and who transferred their medical and hospitalization coverage to the State or school annuitant plan, but who were not given the opportunity to convert major medical coverage, to notify

them of their opportunity to enroll for major medical coverage under the State or school annuitant plan and provide the necessary forms for enrollment.

Upon receipt according to section 505, subsection (10), of the school annuitant's application to enroll for major medical coverage under the State or school annuitant plan, the retirement board shall notify the carrier of such application and shall deduct the appropriate charges from the retirement allowance, transmitting such deductions to the designated fiscal officer of the Commonwealth having jurisdiction over the payment of such group charges on behalf of the annuitant.

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Section 505. Duties of School Employes.—

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(10) A school employe may elect to convert his medical, major medical and hospitalization coverage to the medical, major medical and hospitalization plan in effect for annuitants at the time of his retirement and at the time of filing an application for an allowance under subsection (4) of this section shall indicate such election on such forms under such terms as shall be prescribed by the retirement board.

A former member of a State group medical, major medical and hospitalization plan who retired on or after May 1, 1965, who converted his medical and hospitalization coverage to the State annuitant plan, but who was not given the opportunity to convert his major medical coverage at the time of his retirement, may elect to enroll for major medical coverage under the State annuitant plan and shall, within thirty (30) days of receipt return the forms provided for enrollment.

A former member of a school group medical, major medical and hospitalization plan who retired on or after May 1, 1965, who was not given the opportunity to convert his medical, major medical and hospitalization coverage to any school annuitant plan at the time of his retirement, may elect to enroll for medical, major medical and hospitalization coverage under a school annuitant plan and shall, within thirty (30) days of receipt return the forms provided for enrollment.

Section 2. This act shall take effect immediately.

APPROVED—The 31st day of July, A. D. 1968.

RAYMOND P. SHAFER.