

No. 1992-112

## AN ACT

SB 1421

Amending Titles 24 (Education) and 71 (State Government) of the Pennsylvania Consolidated Statutes, further defining "approved leave of absence"; adding a definition of "leave for service with a collective bargaining organization"; providing an employer contribution rate for members of an independent retirement system; and further providing for credited service, for creditable non-State service, for membership of the board, for appointment of members of the board and for terms of office of members of the board.

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

Section 1. The definition of "approved leave of absence" in section 8102 of Title 24 of the Pennsylvania Consolidated Statutes is amended and the section is amended by adding a definition to read:

§ 8102. Definitions.

The following words and phrases when used in this part shall have, unless the context clearly indicates otherwise, the meanings given to them in this section:

\* \* \*

"Approved leave of absence." A leave of absence for activated military service or which has been approved by the employer for sabbatical leave, service as an exchange teacher, *service with a collective bargaining organization* or professional study.

\* \* \*

*"Leave for service with a collective bargaining organization." Paid leave granted to an active member by an employer for purposes of serving as an elected full-time officer for a Statewide employee organization which is a collective bargaining representative under the act of July 23, 1970 (P.L.563, No.195), known as the Public Employe Relations Act: Provided, That greater than one-half of the members of the Statewide employee organization are active members of the system; that such leave shall not be for more than two consecutive terms of the same office; that the employer shall fully compensate the member, including, but not limited to, salary, wages, pension and retirement contributions and benefits, other benefits and seniority, as if he were in full-time active service; and that the Statewide employee organization shall fully reimburse the employer and the Commonwealth for all expenses and costs of such paid leave, including, but not limited to, contributions and payment on account of such service made to the system in accordance with sections 8326 (relating to contributions by the Commonwealth) and 8327 (relating to payments by employers) and made by the Commonwealth to the employer, made in accordance with section 8329 (relating to payments on account of social security deductions from appropriations).*

\* \* \*

Section 2. Sections 5301(a)(12) and 5302(b) of Title 71 are amended to read:

§ 5301. Mandatory and optional membership.

(a) Mandatory membership.—Membership in the system shall be mandatory as of the effective date of employment for all State employees except the following:

\* \* \*

(12) School employees who have elected membership in an independent retirement program approved by the employer, provided that in no case, except as hereinafter provided, shall the employer contribute on account of such elected membership at a rate greater than the employer normal contribution rate as determined in section 5508(b) (relating to actuarial cost method). For the fiscal year 1986-1987 an employer may contribute on account of such elected membership at a rate which is the greater of 7% or the employer normal contribution rate as determined in section 5508(b) and for *the fiscal year 1992-1993 and* all years after that at a rate of [8.95%] 9.29%.

\* \* \*

§ 5302. Credited State service.

\* \* \*

(b) Creditable leaves of absence.—

(1) A member on leave without pay who is studying under a Federal grant approved by the head of his department or who is engaged up to a maximum of two years of temporary service with the United States Government, another state or a local government under the Intergovernmental Personnel Act of 1970, 5 U.S.C. §§ 1304, 3371-3376; 42 U.S.C. §§ 4701-4772, shall be eligible for credit for such service: Provided, That contributions are made in accordance with sections 5501 (relating to regular member contributions for current service), 5505.1 (relating to additional member contributions) and 5507 (relating to contributions by the Commonwealth and other employers), the member returns from leave without pay to active State service for a period of at least one year, and he is not entitled to retirement benefits for such service under a retirement system administered by any other governmental agency.

(2) *An active member on paid leave granted by an employer for purposes of serving as an elected full-time officer for a Statewide employee organization which is a collective bargaining representative under the act of July 23, 1970 (P.L.563, No.195), known as the Public Employee Relations Act: Provided, That such leave shall not be for more than three consecutive terms of the same office; that the employer shall fully compensate the member, including, but not limited to, salary, wages, pension and retirement contributions and benefits, other benefits and seniority, as if he were in full-time active service; and that the Statewide employee organization shall fully reimburse the employer for all expenses and costs of such paid leave, including, but not limited to, contributions and payment in accordance with sections 5501, 5505.1 and 5507, if the employee organization either directly pays, or reimburses the Commonwealth or other*

*employer for, contributions made in accordance with section 5507.*

\* \* \*

Section 3. Section 5304 of Title 71 is amended by adding a subsection to read:

§ 5304. Creditable nonstate service.

\* \* \*

*(c.1) Nonstate service exception.—Notwithstanding the limitations on eligibility enumerated in subsection (c)(3), any person who was an officer or employee in the Office of the Chancellor of the State System of Higher Education at any time between July 1, 1983, and August 4, 1991, inclusive, and was an active member during that period or has continued as an active member without interruption of service since August 4, 1991, shall be eligible to purchase creditable nonstate service under this section, subject to the same terms, conditions and limitations, including the calculation of the amount and method of paying for the purchase, as was enjoyed by officers and employees of the Department of Education between July 1, 1983, and August 4, 1991. Service rendered in the Chancellor's Office for purposes of the purchase of creditable nonstate service under this subsection shall be deemed to be service as an officer or employee in the Department of Education.*

\* \* \*

Section 4. Section 5901(a) and (b) of Title 71 are amended to read:

§ 5901. The State Employees' Retirement Board.

(a) Status and membership.—The board shall be an independent administrative board and consist of 11 members: the State Treasurer, ex officio, two Senators *or former Senators*, two members *or former members* of the House of Representatives and six members appointed by the Governor, one of whom shall be an annuitant of the system, for terms of four years, subject to confirmation by the Senate. At least five board members shall be active members of the system, and at least two shall have ten or more years of credited State service. The chairman of the board shall be designated by the Governor from among the members of the board.

(b) Appointments and terms.—The two members elected by the board and serving on the effective date of this title shall continue to serve until the expiration of their respective terms. The members *or former members* of the Senate shall be appointed by the President pro tempore of the Senate and shall consist of a majority and a minority member *or former member*. The members *or former members* of the House of Representatives shall be appointed by the Speaker of the House of Representatives and shall consist of a majority and a minority member *or former member*. The legislative members shall serve on the board for the duration of the terms for which they were elected *and former legislative members shall serve a term of two years*. Of the remaining four appointees, one shall be appointed for an initial term of two years, one for an initial term of three years, and two for an initial term of four years. A vacancy occurring during the term of an appointed member shall be filled for the unexpired term by the appointment

and confirmation of a successor in the same manner as his predecessor.

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Section 5. The rate shall continue without modification for three years, but the Public Employee Retirement Commission shall study the rate two years after it was last set and shall recommend to the Governor and the General Assembly not later than March 31, 1995, a rate for the next three years. The rate last set shall continue in effect until it is changed. The recommendation of the Public Employee Retirement Commission on the rate of employer contribution shall be designed to produce parity of contributions between the alternate retirement program and the State Employees' Retirement System program.

Section 6. This act shall take effect immediately.

APPROVED—The 30th day of November, A. D. 1992.

ROBERT P. CASEY