

**PROPOSED
PUBLIC SCHOOL EMPLOYEES' RETIREMENT CODE
OF 1959**

**A REPORT
OF THE
TASK FORCE ON CODIFICATION OF
STATE AND SCHOOL EMPLOYEES' RETIREMENT STATUTES
GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA
JOINT STATE GOVERNMENT COMMISSION
OCTOBER 1958**

**PROPOSED
PUBLIC SCHOOL EMPLOYEES' RETIREMENT CODE
OF 1959**

A REPORT

OF THE
TASK FORCE ON CODIFICATION OF
STATE AND SCHOOL EMPLOYEES' RETIREMENT STATUTES

GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA
JOINT STATE GOVERNMENT COMMISSION
OCTOBER 1958

JOINT STATE GOVERNMENT COMMISSION
1957-1959

The Joint State Government Commission was created by Act of 1937, July 1, P. L. 2460, as amended 1939, June 26, P. L. 1084; 1943, March 8, P. L. 13; 1956, May 15, P. L. (1955) 1605, as a continuing agency for the development of facts and recommendations on all phases of government for the use of the General Assembly.

OFFICERS

BAKER ROYER, Chairman
FRANK W. RUTH, Vice Chairman
ALBERT W. JOHNSON, Secretary
HIRAM G. ANDREWS, Treasurer

EXECUTIVE COMMITTEE

SENATE MEMBERS

M. HARVEY TAYLOR
President Pro Tempore
ROWLAND B. MAHANY
Majority Leader
*JOHN H. DENT
Minority Leader
ALBERT R. PECHAN
Majority Whip
FRANK W. RUTH
Minority Whip
JAMES S. BERGER
Chairman, Majority Caucus
ISRAEL STIEFEL
Chairman, Minority Caucus

HOUSE MEMBERS

W. STUART HELM
Speaker
ALBERT W. JOHNSON
Majority Leader
HIRAM G. ANDREWS
Minority Leader
ALLEN M. GIBSON
Majority Whip
MARY A. VARALLO
Minority Whip
NORMAN WOOD
Chairman, Majority Caucus
STEPHEN McCANN
Chairman, Minority Caucus

Member Ex Officio:

BAKER ROYER, Commission Chairman

ADMINISTRATIVE STAFF

GUY W. DAVIS, Counsel and Director
ANTOINETTE S. GIDDINGS, Administrative Assistant
PAUL H. WUELLER, Associate
Director in Charge of
Research and Statistics

* Resigned

TASK FORCE
CODIFICATION OF STATE AND SCHOOL
EMPLOYES' RETIREMENT STATUTES

MARVIN V. KELLER, Chairman
ALBERT R. PECHAN, Vice Chairman

House Members

Adam T. Bower
Herbert Fineman
Marvin V. Keller
Philip Lopresti

Senate Members

Benjamin R. Donolow
Robert D. Fleming
Albert R. Pechan
Harry E. Seyler

INTRODUCTION

The Proposed Public School Employees' Retirement Code of 1959 has been prepared under the general direction of the Joint State Government Commission Task Force on Codification of State and School Employees' Retirement Statutes by the Technical Committee on Public Retirement Systems appointed by the Commission on December 26, 1956. The members of the technical committee are George A. Huggins, consulting actuary for the State Employees' Retirement System, George B. Buck, F. S. A., consulting actuary for the Public School Employees' Retirement System, and Paul H. Wueller, Ph. D., Associate Director in Charge of Research and Statistics of the Joint State Government Commission. The drafting of the code was undertaken by George A. Huggins in association with Kenneth H. Ross, F. S. A., George B. Buck in association with Donald M. Overholser, A. S. A., and Paul H. Wueller in association with the technical staff of the Joint State Government Commission.

The Proposed Public School Employees' Retirement Code of 1959 represents an attempt to incorporate into one code the provisions of the Public School Employees' Retirement Statute and certain provisions of the Public School Code of 1949, as amended, which affect retirement benefits of school employes.

The proposed code has been organized as follows:

ARTICLE I	Preliminary Provisions
ARTICLE II	Membership and Credited Service
ARTICLE III	Contributions
ARTICLE IV	Benefits
ARTICLE V	Administration
ARTICLE VI	Public School Employees' Retirement Fund and Accounts
ARTICLE VII	Transfers from and to the Public School Em- ployees' Retirement System and the State Employees' Retirement System
ARTICLE VIII	General Provisions

Internally, each of the eight articles has been organized with a view of treating all aspects of a given subject exhaustively. In addition, all operationally important provisions have been identified by a name, a number or a symbol. It is believed that this organization will make possible ready determination of the rights, privileges and duties of all parties concerned, simplify administration, and facilitate legislative action in the area of retirement.

In the course of a critical review of the existing statute, it became apparent that application of the statute required administrative interpretation and that in some instances, alternative interpretations were equally plausible. For example, the statutory definition of "final salary," which is of critical importance in connection with the computation of benefits, had to be administratively implemented.

CONTENTS

ARTICLE I - PRELIMINARY PROVISIONS

<u>Section</u>		<u>Page</u>
101	Short Title	1
102	Definitions	1

ARTICLE II - MEMBERSHIP AND CREDITED SERVICE

201	Mandatory and Optional Membership	6
202	Classes of Membership	6
203	Joint Coverage of Contributors Under Retirement System and Social Security	8
204	Prior Service	9
205	Contributory Service	9
206	Credit for Military Service	10
207	Credit for Out-of-State Service	11
208	Credit for Sabbatical Leave	12
209	Credit for Approved Leaves of Absence	12
210	Restoration of Service Credits Forfeited Upon Separation from Service	13

ARTICLE III - CONTRIBUTIONS

301	Members' Contributions on Account of Current Service	14
302	Members' Contributions on Account of Past Service	17
303	Contributions by the Commonwealth	20
304	Payments by Employers	22
305	Payments on Account of Social Security Deductions from Appropriations	23
306	Reductions in Commonwealth Contributions Due to Social Security Taxes	24
307	Appropriation by Commonwealth	24

ARTICLE IV - BENEFITS

401	Superannuation Retirement Allowances	26
402	Withdrawal Benefits	28
403	Reduction of Superannuation Retirement Allowances and Withdrawal Allowances on Account of Social Security Benefits	30
404	Optional Forms of Allowances	31
405	Disability Benefits	33
406	Death Benefits	35
407	Minimum Benefits to Former School Employees	37
408	Payment of Benefits	39

ARTICLE V - ADMINISTRATION

501	Retirement Board	40
502	Management of Fund and Accounts	43
503	Duties of the Retirement Board	45
504	Duties of Employers	48
505	Duties of School Employees	50

ARTICLE VI - PUBLIC SCHOOL EMPLOYES' RETIREMENT FUND AND ACCOUNTS

601	Creation of Fund and Accounts	53
602	Public School Employees' Retirement Fund	53
603	State Annuity Accumulation Account	53
604	State Annuity Reserve Account	54
605	State Annuity Accumulation and Reserve Account for Present Employees	54
606	Members' Annuity Savings Account	54
607	Members' Annuity Reserve Account	55
608	Administration Expense Account	55

ARTICLE VII - TRANSFERS FROM AND TO THE PUBLIC SCHOOL
EMPLOYEES' RETIREMENT SYSTEM AND THE STATE
EMPLOYEES' RETIREMENT SYSTEM

701	Retention of Credits in Public School Employees' Retirement System	56
702	Transfer of Service Credit from the State Employees' Retirement System to the Public School Employees' Retirement System	57
703	Transfer of Pennsylvania State University Employees to the Public School Employees' Retirement System	58
704	Transfer of Service Credit to the State Employees' Retirement System	60
705	Retransfer of Credits	61

ARTICLE VIII - GENERAL PROVISIONS

801	State Guarantee	62
802	State Supervision	62
803	Exemption from Execution	62
804	Fraud, Adjustments	63
805	Construction of Act	63
806	Provisions Severable	63
807	General Repealer	63
808	Effective Date	63

ARTICLE I
PRELIMINARY PROVISIONS

Section 101. Short Title. This act shall be known as the "Public School Employees' Retirement Code of 1959."

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:

(1) "Retirement system" shall mean the Public School Employees' Retirement System of Pennsylvania, providing for the payment of retirement allowances and other benefits under the provisions of this act.

(2) "Fund" shall mean the Public School Employees' Retirement Fund provided for in Article VI, Section 602, of this act.

(3) "Commonwealth" shall mean the Commonwealth of Pennsylvania.

(4) "Retirement board" shall mean the Public School Employees' Retirement Board provided for in Article V, Section 501, of this act.

(5) "State Employees' Retirement System" shall mean the retirement system established on January 1, 1924, by the Act of June 27, 1923, P. L. 858, as amended.

(6) "Public school" shall mean any class, school, high school, training school, vocational school, truant school, parental school, schools for the instruction of the physically handicapped, and any or all classes or schools within the Commonwealth, conducted under the order and superintendence of the Department of Public Instruction of the Commonwealth and of a duly elected or appointed board of public education, board of school directors, or board of trustees of the Common-

wealth, or of any school district, and shall include the officers of the State Department of Public Instruction and the State Council of Education.

(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; 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, nor shall any officer or employe of the Pennsylvania State University be considered a school employe except as provided by Article VII, Section 703.

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

COMMENT: The term "employe" was changed to "school employe" to differentiate clearly between State and school employes.

(8) "Employer" shall mean the Commonwealth, school district, board or other committee by which the school employe is paid.

(9) "Contributor" shall mean any person who is presently a school employe, including one on leave of absence with or without pay, and who has accumulated deductions to his account in the fund to the credit of the members' annuity savings account.

COMMENT: The existing statute defines "contributor" as ". . . any person who has accumulated deductions . . . to the credit of the annuity savings account." Administrative practice limits eligibility for benefits to contributors who have a current employment status.

(10) "Annuitant" shall mean any former contributor in receipt of a retirement allowance or other benefit as provided in this act.

(11) "Beneficiary" shall mean any person designated by a contributor to receive benefits after the death of such contributor.

COMMENT: The term "annuitant" has been added in clause (10) and the term "beneficiary" has been redefined in clause (11) in order to provide a clear statutory distinction between primary and secondary beneficiaries.

(12) "School year" shall mean the official school year of the school district in which a school employe is employed.

(13) "School service" shall mean service as a school employee.

(14) "Prior service" shall mean all school service completed prior to July 1, 1919, for which credit is allowed.

(15) "Contributory service" shall mean school service for which credit is allowed on account of contributions made by a contributor.

(16) "Total credited service" shall mean contributory service plus prior service.

(17) "Present employe" shall mean a contributor entitled to credit for prior service who has complied with the provisions of Article II, Section 202, subsection (2) (a).

(18) "New entrant" shall mean a contributor entitled to credit for contributory service only.

(19) "Superannuation retirement age" shall mean (i) age sixty-two (62) or the age at which the contributor completes thirty-five (35) years of credited service, whichever is earlier, in the case of a member of Class A as defined in Article II, Section 202, or (ii) age sixty-two (62) in the case of a member of Class B as defined in Article II, Section 202.

(20) "Compensation" shall mean (i) for periods of credited service other than military leaves of absence or sabbatical leaves all compensation received by a contributor including all overtime and other extra compensation, but excluding refunds for expenses incidental to employment, or (ii) for periods of credited service while on military leave of absence or on sabbatical leave, that compensation upon which contributions are calculated and made.

COMMENT: The term "compensation" was added to provide a statutory base for determining member contributions and for computing "final salary."

(21) "Accumulated deductions" shall mean the total of the amounts deducted from the compensation of a contributor and paid into the retirement fund to the credit of the members' annuity savings account, together with the statutory interest credited thereon, to the date on which the contributor separates from school service.

(22) "Statutory interest" shall mean interest at four (4) per centum per annum, compounded annually.

COMMENT: "Statutory interest" has been substituted for "regular interest" because it is more descriptive inasmuch as the rate of interest payable is statutorily defined.

(23) "Final average salary" shall mean the highest average annual compensation of a contributor as a school employe during any five (5) non-overlapping periods of twelve (12) consecutive months of membership preceding retirement or withdrawal.

COMMENT: In definition (23) "final average salary" has been substituted for "final salary" since the latter is computed by an averaging method. To conform with administrative practice, "annual compensation" has been substituted for the phrase "annual salary earnable." The phrase "periods of twelve (12)

consecutive months" was substituted for "years" to clarify the statute since the present statute defines "final salary" in terms of years of service without specifying whether calendar, fiscal, or service years are to be used.

(24) "State annuity" shall mean payments derived from contributions made jointly by the Commonwealth and other employer or by the Commonwealth as provided in this act.

(25) "Member's annuity" shall mean payments derived from contributions made by the contributor as provided in this act.

(26) "Retirement allowance" shall mean the State annuity plus the member's annuity.

(27) "Actuarial equivalent" shall mean a benefit of equal value when computed upon the basis of statutory interest and the mortality tables adopted by the retirement board.

(28) The masculine pronoun wherever used herein shall include the feminine except as the context otherwise specifically indicates.

ARTICLE II
MEMBERSHIP AND CREDITED SERVICE

Section 201. Mandatory and Optional Membership.

(1) Membership in the retirement system shall be mandatory for all school employes, except the following:

(a) school employes who entered school service on or prior to June 30, 1919;

(b) school employes in the Department of Public Instruction, State Teachers' Colleges, Thaddeus Stevens Trade School, Pennsylvania State Oral School for the Deaf and Scotland School for Veterans' Children, who enter school service subsequent to June 30, 1919, and who file with the retirement board within six (6) months after beginning employment a written election not to become a member;

(c) officers or employes of the Pennsylvania State University with previous membership and service credits in the retirement system who shall have elected to transfer membership and service credits to the State Employes' Retirement System in accordance with the provisions of Article VII.

(2) The school employes listed in subsection (1) above, clause (a) shall have the right to elect membership in the retirement system. The school employes listed in subsection (1) above, clauses (b) and (c) shall not have the right to elect membership in the retirement system.

Section 202. Classes of Membership.

(1) Membership in the retirement system shall be comprised of the following classes:

(a) Class A, or one one-hundred-fortieth (1/140) class, which shall consist of all employes entering or re-entering school service on or after July 1, 1950, and any contributor previously in Class B who prior to July 1, 1957, shall have filed with the retirement board an election to transfer to Class A and shall have made up from July 1, 1950, the contributions which he would have made had he become a member of Class A on July 1, 1950. Class A shall also include any disability annuitant of Class B who upon restoration to school service heretofore or hereafter elects to transfer to Class A.

(b) Class B, or one one-hundred-sixtieth (1/160) class, consisting of employes who became members prior to July 1, 1950, and who did not elect to become members of Class A.

(2) The membership of each class defined in subsection (1) of this section shall be divided as follows:

(a) present employes who shall consist of (i) any school employe who entered school service prior to July 1, 1919, and who shall have elected before July 1, 1953, by written application to the Superintendent of Public Instruction to become a contributor provided that if the date of making application is on or subsequent to July 1, 1919, he shall have paid into the fund to the credit of the members' annuity savings account, an amount equal to what would have been at the date of such application the contributions from his salary had he elected to become a member on or prior to July 1, 1919; and (ii) any school employe who shall have rendered school service prior to July 1, 1919, who has not been given credit for such service, and who, at retirement for superannuation, shall have applied to be reclassified as a present employe.

COMMENT: Section 2 (a) is a restatement of the existing statute which provides a method whereby an employe who did not elect to

join the retirement system prior to July 1, 1919, could obtain credit for service prior to July 1, 1919, and, in addition, could obtain, upon payment of back contribution, credit for the period of time between July 1, 1919, and the date of electing to join the system if he joined prior to July 1, 1953.

Employees who have not elected to follow the above procedure, although entitled upon superannuation retirement to credit for service prior to July 1, 1919, cannot obtain credit for any other period prior to joining the retirement system. Administrative practice with regard to such employees is to classify them as new entrants until superannuation retirement at which time upon application for credit for service prior to July 1, 1919, they are reclassified as present employees.

(b) new entrants who shall consist of all school employees other than present employees as defined above who shall become contributors.

Section 203. Joint 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 employee who shall become a contributor subsequent to May 28, 1957, or who, having become a contributor on or before such date, shall have filed with the retirement board on or before August 27, 1957, 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 employees;

(2) Single Coverage Group, consisting of any school employee 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 employees, or has not filed with the retirement board any written statement electing such coverage.

Section 204. Prior Service. Prior service shall consist of all service of a present employe completed prior to July 1, 1919. Full credit shall be given by the retirement board for each school year or fraction thereof for which credit is not otherwise provided in this act and during which the contributor was either granted a commission, enlisted or drafted into the Army, Navy, Marine Corps, Enlisted Nurses' Corps or other branch of the military forces of the United States during World War I, and for each school year during which the contributor was, prior to July 18, 1917, a teacher, instructor, or supervisor in any State or semi-State orphan school.

Section 205. Contributory Service. Contributory service shall consist of service subsequent to June 30, 1919, on account of which the contributions required under this act to secure credit for such service are held to the credit of the contributor in the members' annuity savings account. Such service shall consist of:

(1) service while a contributor for which regular contributions have been made by the member as provided under Article III and which shall include school service rendered by a member of Class B after becoming eligible for superannuation retirement for which no contributions are required;

(2) periods during which the contributor was in military service of the United States of America for which credit is allowed under the provisions of Section 206 of this article;

(3) out-of-state service for which credit is allowed under the provisions of Section 207 of this article;

(4) periods during which the contributor was on sabbatical leave of absence for which credit is allowed under the provisions of Section 208 of this article;

(5) periods of approved leaves of absence for which the member has made contributions according to the provisions of Section 209 of this article;

(6) service for which credit is allowed upon transfer of credits from the State Employees' Retirement System as provided under Article VII, Section 702.

Section 206. Credit for Military Service.

(1) Any school employe who shall have been granted a military leave of absence in accordance with Article XI, subdivision (g), of the Public School Code of 1949, as amended, shall, upon compliance with the provisions of Article V, Section 505, subsection (1), be allowed credit for the period during which he was in military service and deductions from compensation were paid into the fund according to the provisions of Article III, Section 304, subsection (4).

(2) Any school employe who does not qualify for a military leave of absence under the provisions of Article XI, subdivision (g), of the Public School Code of 1949, as amended, who is a contributor and who, after July 27, 1953, shall, in time of war, or armed conflict exist or shall at any time be drafted into active military service, defined as active service in any of the armed services or forces of the United States or of the Commonwealth, shall be considered to be on military leave of absence and shall have his retirement rights determined as if he was in the active, continuous and uninterrupted employ of his employer for the period during which he was on military leave of absence, provided that he complies with the applicable provisions of Article III, Sections 301 and 302.

(3) Any school employe of any school district who shall have been elected or regularly employed by one or more school districts or vocational school districts within this Commonwealth for any period prior to the time when such employe volunteered or was called up for service in the armed forces of the United

States of America and who upon discharge from military service is employed at any time by any school district or vocational school district within this Commonwealth, but who has not heretofore been credited with such years of service for retirement purposes, shall, upon compliance with the provisions of Article V, Section 505, subsection (2), be entitled to have full credit for each year or fraction thereof he spent in the armed forces of the United States upon his payment to the fund of back contributions according to the provisions of Article III, Section 302, subsection (3).

The provisions of this subsection shall apply whether (i) the employe was on leave of absence from school service during his service in the armed forces, or (ii) had resigned therefrom before or at the time of entering service in the armed forces or during such service.

COMMENT: Subsection (1) was added to give recognition to the applicable provisions of Article XI, subdivision (g) of the Public School Code of 1949, as amended, relating to military service.

Subsection (2) represents a restatement of those parts of Sections 2, 5, and 7 of the Veterans Preference Act of July 8, 1957, P. L. 557, which relate to credit for military service for retirement purposes.

Section 207. Credit for Out-of-State Service.

(1) Any contributor shall receive credit for the following periods of service provided that he makes application according to the provisions of Article V, Section 505, subsection (3), and makes back contributions according to the provisions of Article III, Section 302, subsection (5):

(a) service of at least one (1) year in states, territories or areas under the jurisdiction of the United States, other than this Commonwealth, as an employe in any public school or institution;

(b) service of at least one (1) year 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.

(2) Such credit shall not exceed ten (10) years, nor the number of years between the age of the contributor at the time he becomes a member and the age at retirement, nor the number of years of credited service in this Commonwealth. In the event that a contributor withdraws from the retirement system, or retires on superannuation or disability retirement before back contributions are fully paid, the member'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.

Section 208. Credit for Sabbatical Leave. Any school employe who shall have been granted a sabbatical leave of absence in accordance with Article XI, subdivision (b), of the Public School Code of 1949, as amended, shall receive credit for the period of such leave of absence as if he were in regular full-time daily attendance in the position from which the sabbatical leave was taken.

COMMENT: Section 208 was added to give recognition in the retirement code to the applicable provisions of the Public School Code of 1949 relating to sabbatical leave.

Section 209. Credit for Approved Leaves of Absence. Any school employe who has been granted a leave of absence approved by the board of school directors for professional study and growth during which no contributions were made to the fund on his behalf shall receive credit for such leave of absence as if he had been in full-time regular daily attendance upon his payment to the fund of back contributions according to the provisions of Article III, Section 302, subsection (6).

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

(1) Each contributor who separates or has separated from the school service, at any time, and returns or has returned to school service shall have any annuity rights forfeited by him at the time of separation restored and shall, at retirement for superannuation, be entitled to have full credit for each year of school service, if

(a) he shall have rendered not less than fifteen (15) years of school service prior to superannuation retirement;

(b) he shall have restored to the retirement fund to the credit of the members' annuity savings account his accumulated deductions as they were at the time of his separation within three (3) years after his return to service in accordance with the provisions of Article III, Section 302, subsection (7);

(c) he shall have rendered not less than three (3) years of service immediately prior to retirement.

(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.

ARTICLE III
CONTRIBUTIONS

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

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

(a) a member of Class A shall contribute at a rate computed by the actuary to be sufficient, with statutory interest, to procure for him at superannuation retirement age a member's annuity equal to one one-hundred-fortieth ($1/140$) of the average compensation for the ten (10) years of service preceding retirement for each year of prospective contributory service;

(b) a member of Class B shall contribute at a rate computed by the actuary to be sufficient, with statutory interest, to procure for him on superannuation retirement age a member's annuity equal to one one-hundred-sixtieth ($1/160$) of the average compensation for the ten (10) years of service preceding retirement for each year of prospective contributory service;

(c) the rate per centum of said deduction from compensation shall be based on such mortality and other tables as the retirement board shall adopt, together with statutory interest, and shall be computed to remain constant during the prospective contributory service of the contributor.

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

(a) an annuitant restored to service as a contributor shall not be required to contribute at a rate of his compensation which is greater than the rate which he was required to contribute prior to his retirement, whether such retirement is for superannuation, withdrawal or disability.

COMMENT: The provision in paragraph (a) above was added in conformity with administrative practice.

(b) if the rate computed for a member of Class B shall exceed five (5) percent, and the member shall so elect, there shall be deducted five (5) per centum of his compensation;

(c) no member of Class B shall be required to contribute after he shall have attained superannuation retirement age; all contributions made thereafter to the fund shall be voluntary;

(d) the rate of deduction from compensation of a contributor who was originally a member of Class B and who became a member of Class A and made back payments according to the provisions of Section 302, subsection (2), of this article, shall be the rate which such transferred contributor would have paid had he become a new entrant and member of Class A at his attained age at nearest birthday as of July 1, 1950;

(e) the rate of deduction from compensation of a disability annuitant who retired as a member of Class B and who heretofore or hereafter is restored to school service and transfers to Class A shall be the rate which such transferred contributor would have paid had he become a new entrant and member of Class A at his attained age at nearest birthday as of the date of transfer;

(f) in the case of a school employe on sabbatical leave of absence the deductions from compensation shall equal the full amount of contributions which

would have been deducted had such employe been in regular full-time daily attendance in the position from which the sabbatical leave was taken.

COMMENT: The provision in paragraph (f) was added to give recognition in the retirement code to the provisions of Article XI (g) of the Public School Code of 1949, as amended, relating to sabbatical leave.

(3) Whenever, after July 27, 1953, a school employe shall have been granted a military leave of absence under the provisions of Article II, Section 206, subsection (2) he may continue to make regular payments into the fund during the period of his military leave of absence, provided that he shall so signify to the retirement board in writing within sixty (60) days after the commencement of his military leave of absence or within sixty (60) days after July 8, 1957, whichever is later. The amount of such payments shall be the same as they would have been, had he not been granted a military leave of absence, but had instead remained actively in his employment. The time of making such payments shall be mutually agreed upon by the employe and the retirement board, but in no event shall be less frequent than semi-annually.

COMMENT: Subsection (3) represents a restatement of that portion of Section 7 of the Veterans' Preference Act of July 8, 1957, P. L. 557, which relates to salary deductions for retirement purposes while on military leave of absence.

(4) Members of the joint coverage group shall contribute at the same rates and on the same basis as members of the single coverage group, except that the retirement board shall reduce the rate of contribution of each member of the joint coverage group with respect to wages as defined in the Federal Insurance Contributions Act by forty (40) per centum of the tax on employes prescribed by the Federal Insurance Contributions Act exclusive of that portion of such tax attributable to disability coverage. Such reduction in the rate of

member contributions for a joint coverage member shall be effective as of January 1, 1956, or later date of qualification as a contributor.

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

(1) Any school employe who entered school service prior to July 1, 1919, and who elected prior to July 1, 1953, to be classified as a present employe according to the provisions of Article II, Section 202, subsection (2) shall, at the time of making such application, pay into the retirement fund to the credit of the member's annuity savings account, an amount equal to what would have been at the date of such application the contributions from his salary had he elected to become a member prior to July 1, 1919.

(2) Any school employe who was a member of Class B and who applied prior to July 1, 1957, to transfer to Class A shall pay in a lump sum at the time of transfer the additional contributions which he would have made had he been a member of Class A on July 1, 1950.

(3) Any school employe who, subsequent to July 27, 1953, shall have been granted a military leave of absence under the provisions of Article II, Section 206, subsection (2) and who discontinues making payments into the fund, and who returns to his employment upon the expiration of his military leave of absence, shall have his retirement rights determined on the basis that he was in the active, continuous and uninterrupted employ of his employer for the period during which he was on military leave of absence provided that he complies with the following:

(i) he shall, within six (6) months after he returns to his employment, give written notice to the retirement board of his desire to have his retirement rights determined in such manner; and

(ii) he shall pay into the retirement fund an amount equal to the total payments he would have made had he continued payments during his military leave of absence. Payment of such amount may be spread over a period of time agreeable to the retirement board and the employe, which in no event shall exceed a period commencing with the date he returned to his employment and equal in duration to the duration of his military leave of absence. Such agreed upon payments shall be made in the same manner as his regular payments into the fund are made.

COMMENT: Subsection (3) represents a restatement of that portion of Section 7 of the Veterans' Preference Act of July 8, 1957, P. L. 557, which establishes the procedure for back payments in the case of return to State service after a military leave of absence.

(4) Any school employe entitled to credit under the provisions of Article II, Section 206, subsection (3), shall pay an amount equal to the accumulated deductions which would have been made had such employe remained in the service of a school district during the period he served in the armed forces of the United States, together with an equal additional amount as the equivalent of the contributions of the school district and the Commonwealth on account of such military service. Such back payments may be paid either in a lump sum or by such installments as may be approved by the retirement board.

(5)(a) Any school employe entitled to credit under the provisions of Article II, Section 207, shall pay into the retirement fund, an amount equal to the contributions which would have been collected from such contributor for the period of out-of-state service, had such service been rendered in this Commonwealth, at his compensation for the school year in which application for credit for such 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. 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 shall begin on or before October 1, 1960, or before the contributor has completed three (3) years of service in this Commonwealth. All such contributions shall be credited in equal amounts to the members' annuity savings account and the State annuity accumulation account if a new entrant or the State annuity accumulation and reserve account for present employes if a present employe.

(b) Any school employe entitled to credit under the provisions of Article II, Section 207, subsection (1), may, in addition, make a lump sum payment computed to be sufficient, with statutory interest, to procure for him or her on superannuation retirement at age sixty-two (62), or at the end of thirty-five (35) years of credited service in this Commonwealth whichever is the earlier, an additional employe's annuity equal to one-seventieth (1/70) of his or her earnable salary during the first year of service in this Commonwealth for each of the years of such aforesaid proved service for which he or she shall elect to contribute. Such additional contributions shall become a part of his or her accumulated deductions, and shall be so treated, except in case of disability retirement, superannuation retirement, or the receipt of an annuity upon resignation, or dismissal, when they shall be used to produce an additional annuity on the basis of such annuity tables as the retirement board shall approve: Provided, however, That the state annuity part of the retirement allowance of any such contributor shall not be increased, or affected by reason of said out-of-state service, or of such contribution.

(6) Any school employe entitled to credit under the provisions of Article II, Section 209, shall pay, in addition to the regular contributions required in Sec-

tion 301 of this article, a sum equal to all back payments which he would have been required to make for the period of his approved leave of absence, and in addition, a sum equal to all contributions which would have been made on his behalf by the school district and the Commonwealth if the employe had been in full-time regular daily attendance rather than on leave of absence. Such back payments may be made in a lump sum, by installments or by an increased rate of contribution agreed upon between the contributor and the retirement board; provided, however, that all such payments must be made on or before July 1, 1959.

(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 at the time of separation from service within three (3) years after his return to service, such payment to be made in a lump sum or any actuarial equivalent approved by the retirement board.

Section 303. Contributions by the Commonwealth. The Commonwealth's contribution shall be determined as follows:

(1) On July 1 and January 1 of each year covering the preceding six (6) months, the Commonwealth shall pay through the Department of Revenue into the retirement fund on account of new entrants such amount as shall be certified by the retirement board as necessary to provide by such method of payment during the prospective active service of such new entrants the State annuity reserves required at the time of retirement for their State annuities, which amount shall be credited by the retirement board to the ledger account known as the State annuity accumulation account. The amount so certified by the retirement board shall be computed as a percentage of the total salaries earnable by all contributors during the period for which the amount is certified. The percentage shall be computed as a level percentage of the prospective compensation of all contributors

and shall be based on such mortality and other tables as shall be adopted by the retirement board and on statutory interest. Such percentage shall be computed on the basis of each actuarial valuation and shall be determined by deducting from the present value of the liabilities of the State annuity accumulation account the sum of the assets credited to that account on the valuation date, and dividing the remainder by the present value of the future salaries of all contributors. To facilitate the collection of such amounts the retirement board may use the payroll reported for the last valuation as the basis for contributions for a twelve (12) month period.

(2) On July 1 and January 1 of each year, until the accumulated reserve equals the present value, as computed by the actuary of the retirement board and approved by the retirement board, of all State annuity payments thereafter payable on account of present employes then retired or to be retired, the Commonwealth shall pay through the Department of Revenue into the retirement fund to the credit of the ledger account known as the State annuity accumulation and reserve account for present employes such amount as shall be certified by the retirement board as necessary to provide by the method of payment hereinafter described as the State annuity reserves on account of State annuities payable to present employes. The amount so certified by the retirement board shall be computed as a percentage of the total salaries earnable by all contributors during the period for which the amount is certified. The percentage shall be computed as a level percentage of the prospective compensation of all contributors and shall be based on such mortality and other tables as shall be adopted by the retirement board and on statutory interest. Such percentage shall be computed on the basis of each actuarial valuation and shall be determined by deducting from the present value of the liabilities of the State annuity accumulation and reserve account for present employes the sum of the assets credited to that account on the valuation date and

dividing the remainder by the present value of the future salaries of all contributors. In every case the amount payable shall be at least three (3) per centum greater than the second preceding semi-annual payment, and shall be sufficient, when combined with the amount in the fund to the credit of said account, to provide the pensions during the half year then current to present employes then retired or to be retired. To facilitate the collection of such amount, the retirement board may use the payroll reported for the last valuation as the basis for contributions for a twelve (12) month period.

(3) The General Assembly shall, from time to time, appropriate moneys sufficient to make payments to former teachers provided for in Article IV, Section 407, subsection (1).

Section 304. Payments by Employers.

(1) The Commonwealth shall be reimbursed to the extent of one-half (1/2) of the amount paid by the Commonwealth into the retirement fund to the credit of the State annuity accumulation account and the State annuity accumulation and reserve account for present employes on account of employes of each employer, by payments into its treasury made directly by such employer, or indirectly from moneys otherwise belonging to such employer.

(2) To facilitate the payment of amounts due from the treasurer of any employer to the Treasurer of the Commonwealth, on account of the retirement system, and to permit the exchange of credits between the Treasurer of the Commonwealth and the treasurer of any employer, the State Superintendent of Public Instruction and the State Treasurer are hereby authorized and empowered to cause to be deducted, and paid into or retained in the State Treasury, from the amount of any moneys due to any employer on account of any appropriation for

schools or other purposes, the amount due to the State Treasury from such employer, in accordance with the provisions of this act. Corresponding amounts, which would be otherwise transferred to the Treasurer of the Commonwealth from the treasurer of such employer, may be credited to the accounts of the employer to which the moneys withheld by the Commonwealth were payable.

(3) The Commonwealth as employer of employes of the Department of Public Instruction, State Teachers' Colleges, Thaddeus Stevens Trade School, Pennsylvania State Oral School for the Deaf, Scotland School for Veterans' Children, and The Pennsylvania State University, shall contribute periodically such sums as shall be required to reimburse the Commonwealth to the extent of one-half (1/2) of the amount paid by the Commonwealth into the retirement fund to the credit of the State annuity accumulation account and the State annuity accumulation and reserve account for present employes on account of such employes.

(4) In the case of any school employe who is on a military leave of absence in accordance with the provisions of Article II, Section 206, subsection (1), the school district shall pay into the fund on his behalf, in addition to the contributions required by law to be made by the school district, the full amount of the contribution required by law to be paid by the employe.

COMMENT: The provision in subsection (4) was added to give recognition in the retirement code to the provisions of Article XI, subdivision (g) of the Public School Code of 1949, as amended, relating to military leaves of absence.

Section 305. Payments on Account of Social Security Deductions from Appropriations. Where the Superintendent of Public Instruction enters into an agreement with the Commonwealth to place under the Federal Social Security Act all members of the joint coverage group, the Commonwealth shall pay on account of the school districts and joint schools and departments and on account of such

employees thereof into the contribution fund created under the provisions of the Act of January 5, 1952, P. L. 1833, as reenacted and amended by the Act of June 1, 1956, P. L. 1973, such amounts and at such times as are required to be paid on account of such coverage.

The Commonwealth shall be reimbursed to the extent of the total amounts contributable by joint coverage members and to one-half (1/2) the amounts contributable by the school districts, joint schools and departments.

The Superintendent of Public Instruction and the State Treasurer are hereby authorized to cause to be deducted, and paid into or retained in the State Treasury from any moneys due to any employer on account of appropriations for schools or other purposes the amounts reimbursable under the provisions of this section.

Section 306. Reductions in Commonwealth Contributions Due to Social Security Taxes. In determining the contributions payable by the Commonwealth and other employers on account of new entrants and present employees in accordance with the provisions of this article, the retirement board shall take into account the reduction in the benefits for members in the joint coverage group due to the offset of benefits payable under Social Security and the appropriations shall be correspondingly reduced for such members.

Section 307. Appropriation by Commonwealth. The retirement board shall prepare and submit to the Budget Secretary, on or before November 1 in each even-numbered year, an itemized estimate of the amounts necessary to be appropriated by the Commonwealth to the retirement fund to complete the payment of the obligations of the Commonwealth accruing during the biennium beginning July 1 of the following year; and it shall be the duty of the Legislature to make an appropriation sufficient to provide for such obligations of the Commonwealth;

and the amounts so appropriated shall be included in the general appropriation bill, and shall be paid by the State Treasurer into the retirement fund upon warrants of the Auditor General in accordance with requisitions presented by the retirement board.

ARTICLE IV

BENEFITS

Section 401. Superannuation Retirement Allowances.

(1) Upon retirement at or after superannuation retirement age a contributor who is a member of the single coverage group 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:

(a) the superannuation retirement allowance of a member of Class A shall consist of a member's annuity which shall be the actuarial equivalent of his accumulated deductions and a State annuity which shall consist of the following components:

(i) a basic component of one one-hundred-fortieth ($1/140$) of his final average salary for each year of total credited service;

(ii) an equalizing component equal to the amount, if any, by which the member's annuity is less than the State annuity for contributory service;

(iii) a prior service component, applicable to present employes, of one one-hundred-fortieth ($1/140$) of his final average salary for each year of prior service;

(iv) a minimum allowance component equal to the amount, if any, by which the superannuation retirement allowance otherwise payable is less than one thousand two hundred (1,200) dollars, provided that the contributor has forty (40) years or more of credited service, or if less than forty (40) years of such service,

then such proportional amount of one thousand two hundred (1,200) dollars as the years of such credited service bear to forty (40) years;

COMMENT: The Public School Employees' Retirement statute defines the superannuation retirement allowance as the sum of a member's annuity, a State annuity, two further State annuities, and additional State annuity. The superannuation retirement allowance is defined in paragraph (a) as a member's annuity and State annuity, the latter consisting of four components. This procedure was adopted to simplify exposition.

The existing statute requires, as a condition for receiving a full minimum allowance component, forty years or more of credited service "in this Commonwealth." Administrative practice has been to interpret this provision to include all service which is credited under the provisions of the Public School Employees' Retirement statute.

(b) the superannuation retirement allowance of a member of Class B shall consist of a member's annuity which shall be the actuarial equivalent of his accumulated deductions and a State annuity which shall consist of the following components:

(i) a basic component of one one-hundred-sixtieth (1/160) of his final average salary for each year of total credited service;

(ii) a prior service component, applicable to present employes, of one one-hundred-sixtieth (1/160) of his final average salary for each year of prior service.

COMMENT: The Public School Employees' Retirement statute defines the superannuation retirement allowance as the sum of a member's annuity a State annuity and a further State annuity. The superannuation retirement allowance is defined in paragraph (b) as a member's annuity and a State annuity, the latter consisting of two components. This procedure was adopted to simplify exposition.

(2) Every contributor who has attained or who shall attain age seventy (70), shall be retired for superannuation by the retirement board forthwith or at

the end of the school term at which age seventy (70) is attained.

(3) Upon retirement on or after superannuation retirement age, a contributor who is a member of the joint coverage group and who has made application in accordance with the provisions of Article V, Section 505, subsection (4) shall receive a superannuation retirement allowance computed in accordance with the applicable provisions of subsection (1) of this section, but reduced in accordance with the provisions of Section 403 of this article.

Section 402. Withdrawal Benefits.

(1) Upon discontinuance of service before reaching superannuation retirement age, by resignation or dismissal, or in any other way than by death or retirement, the membership of a contributor in the retirement system shall thereupon cease and he shall be paid on demand from the retirement fund:

(a) the full amount of the accumulated deductions standing to his individual credit in the members' annuity savings account, as of the date of such separation from school service and, in addition, in the case of a contributor who has made contributions on account of past service according to the provisions of Article III, Section 302, subsections (4), (5) (a), or (6), the amounts paid by him as the equivalent of the contributions of the school district and the Commonwealth, or in lieu thereof, should he so elect;

(b) a member's annuity beginning at time of withdrawal or a deferred member's annuity beginning at superannuation retirement age, which shall be the actuarial equivalent of his accumulated deductions and such additional contributions as were made in accordance with the provisions of Article III, Section 302, subsections (4), (5) (a), or (6).

(2) Upon discontinuance of service before reaching superannuation

retirement age after having completed twenty-five (25) years of credited service, a contributor who is a member of Class A and who is a member of the single coverage group shall be paid as he shall elect as follows:

(a) the full amount of the accumulated deductions standing to his individual credit in the members' annuity savings account as of the date of separation from school service, and, in addition, in the case of a contributor who has made contributions on account of past service according to the provisions of Article III, Section 302, subsections (4), (5)(a), or (6), the amounts paid by him as the equivalent of the contributions of the school district and the Commonwealth, or, in lieu thereof, should he so elect;

(b) a withdrawal allowance, beginning immediately, which shall consist of:

(i) a member's annuity which shall be the actuarial equivalent, at the date at which benefits begin, of his accumulated deductions; and

(ii) a State annuity having a value equal to the present value of a State annuity beginning at superannuation retirement age and calculated in accordance with the provisions of Section 401, subsection (1), paragraph (a) of this article and based upon the final average salary of the withdrawing contributor and the years of credited service to the date of withdrawal.

COMMENT: The existing statute requires, as a condition for receiving a State annuity upon withdrawal, twenty-five years of credited service "in this Commonwealth." Administrative practice has been to interpret this provision to include all service which is credited under the provisions of the Public School Employees' Retirement statute.

(3) Upon discontinuance of service before reaching superannuation retirement age a contributor who is a member of Class A and who is a member of the joint coverage group shall be entitled to receive a withdrawal allowance

computed in accordance with the applicable provisions of subsection (2) of this section but reduced in accordance with the provisions of Section 403 of this article.

Section 403. Reduction of Superannuation Retirement Allowances and Withdrawal Allowances on Account of Social Security Benefits.

(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 retirement 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:

(a) the eligibility of such contributor for the Old Age Insurance Benefit and the primary insurance amount of such benefit upon which the reduction in the allowance shall be based shall be computed by the retirement board in the manner specified in the Federal Social Security Act, except that in determining such eligibility and such amount only wages or compensation for services covered by the retirement system shall be included;

(b) the reduction in benefits in accordance with this subsection shall apply only to that portion of benefits based on wages as defined in the Federal Insurance Contributions Act;

(c) the reduction in benefits in accordance with this subsection shall be limited to the State annuity provided in Section 401, subsection (1), paragraphs (a) or (b), as the case may be;

(d) the retirement allowance based on his credited service to January 1, 1956, shall remain to his credit without adjustment and credits for service

subsequent to such date shall be reduced as provided in this section;

(e) that portion of an annuitant's retirement allowance based on credits for service subsequent to January 1, 1956, shall not be less than the amount of his member's annuity based on contributions for the same period;

(f) the total sum including Social Security benefits to be received upon retirement or withdrawal by a member of the joint coverage group who was a contributor on January 1, 1956, shall not be less than the allowance that would be paid in the absence of his election to become a member of the joint coverage group;

(g) 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.

(2) The reduction in benefits provided for in this subsection shall not apply to disability allowances payable under the provisions of Section 405 of this article.

Section 404. Optional Forms of Allowances.

(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:

(a) the allowances provided for in Section 401 or Section 402, as the case may be, payable throughout life dated from the time of his superannuation retirement or withdrawal; or

(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 a lesser member's annuity, or a lesser State annuity, or 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 shall be paid to his legal representatives, or to such person as he shall nominate by written designation, duly acknowledged, and filed with the retirement board.

Option 2. - Upon his death, his member's annuity, his State annuity, or his superannuation retirement or withdrawal allowance, shall be continued throughout the life of and paid to such person as he shall nominate by written designation, duly acknowledged, and filed with the retirement board at the time of his superannuation retirement or withdrawal.

Option 3. - Upon his death, one-half (1/2) of his member's annuity, his State annuity, or his superannuation retirement or withdrawal allowance shall be continued throughout the life of and paid to such person as he shall nominate by written designation, duly acknowledged, and filed with the retirement board at or before the time of his superannuation retirement or withdrawal.

Option 4. - Such other benefit or benefits shall be paid to either the contributor or such other person or persons as he shall nominate; provided such other benefit or benefits shall, together with such lesser member's annuity, or lesser State annuity, or lesser superannuation retirement or withdrawal allowance,

be certified by the actuary of the retirement board to be of equivalent actuarial value, and shall be approved by the retirement board.

(2) In calculating allowances payable to a member of the joint coverage group under an option enumerated in subsection (1) of this section, which is the actuarial equivalent of an allowance adjusted for the Social Security reduction under the provisions of Section 403 of this article, the present value of such adjusted allowance shall be determined by taking into account the reduction applicable upon the attainment of the age at which Social Security benefits are payable.

Section 405. Disability Benefits.

(1) Upon qualification for a disability benefit according to the provisions of Article V, Section 505, subsection (6), a contributor who is a member of Class A who has at least ten (10) years of credited service and who is under superannuation retirement age, shall receive a disability allowance which shall consist of a member's annuity which shall be the actuarial equivalent of his accumulated deductions and a State annuity which shall consist of the following components:

(a) a basic component which, together with the member's annuity, shall be sufficient to produce a disability allowance of one-ninetieth ($1/90$) of his final average salary multiplied by the number of his years of credited service; and

(b) a minimum allowance component equal to the amount, if any, by which the member's annuity and the basic component of the State annuity is exceeded by the lesser of:

(i) thirty-three and one-third ($33 \frac{1}{3}$) percent of his final average salary; or

(ii) eight-ninths ($8/9$) of the superannuation retirement allowance to

which the contributor would have been entitled at superannuation retirement age if he had remained in service as a school employe and had received the same annual compensation which he was receiving immediately preceding disability.

COMMENT: The provision in paragraph (b) (ii) that the minimum State annuity shall be computed on the basis of level compensation from the date of disability to superannuation retirement age was added in conformance with administrative practice.

(2) Upon qualification for a disability benefit according to the provisions of Article V, Section 505, subsection (6), a contributor who is a member of Class B who has at least ten (10) years of credited service and who is under superannuation retirement age, shall receive a disability allowance which shall consist of a member's annuity which shall be the actuarial equivalent of his accumulated deductions and a State annuity which shall consist of the following components:

(a) a basic component which, together with the member's annuity, shall be sufficient to produce a disability allowance of one-ninetieth ($1/90$) of his final average salary multiplied by the number of his years of credited service; and

(b) a minimum allowance component equal to the amount, if any, by which the member's annuity and the basic component of the State annuity is exceeded by the lesser of:

(i) thirty (30) percent of his final average salary; or

(ii) eight-ninths ($8/9$) of the superannuation retirement allowance to which the contributor would have been entitled at superannuation retirement age if he had remained in service as a school employe and had received the same annual compensation which he was receiving immediately preceding disability.

COMMENT: The provision in paragraph (b) (ii) that the minimum State annuity shall be computed on the basis of level compensation

from the date of disability to superannuation retirement age was added in conformance with administrative practice.

(3) At or before the time of his disability retirement, any contributor may elect by written election, duly executed and filed with the retirement board, to receive his benefits in a disability retirement allowance, payable throughout life; or he may upon disability retirement, elect to receive the actuarial equivalent at that time of his disability retirement allowance in a lesser disability retirement allowance, payable throughout life; provided that, if he dies before he has received in disability retirement allowance payments the present value of his member's annuity as it was at the time of his disability retirement, the balance shall be paid to his legal representative, or to such person as he shall nominate by written designation, duly executed and filed with the retirement board.

(4) Should a physician or physicians designated by the retirement board report and certify to the retirement board that a disability annuitant is no longer physically or mentally incapacitated for the performance of duty, or that such disability annuitant is able to engage in a gainful occupation, and should the retirement board concur in such report, then the amount of the State annuity shall be discontinued, or reduced to an amount that shall be not in excess of the amount by which the amount of the last year's salary of the annuitant as a school employe exceeds his present earning capacity.

(5) Upon his application, any disability annuitant under age 62 may be restored to active service by the employer by whom he was employed at the time of his retirement. Upon his restoration to active service, his retirement allowance shall cease.

Section 406. Death Benefits.

(1) Any contributor who is entitled to retire or withdraw under the

provisions of this act by reason of having completed twenty-five (25) years of total school service or by reason of having reached superannuation retirement age, may file with the retirement board a written application for retirement, in the form required for such application, but requesting that such retirement shall become effective as of the time of his death, electing one of the options provided in Section 404 of this article and nominating a beneficiary under said option as required in such section. In all such cases the application shall be held by the retirement board until the contributor shall file a later application for retirement, or until the death of the contributor occurring while in school service at which time his retirement shall become effective with the same benefits to the designated beneficiary as if the contributor had retired on the day immediately preceding his death.

(2) Any contributor who is entitled to retire or withdraw under the provisions of this act by reason of having completed twenty-five (25) years of total school service or by reason of having become eligible for superannuation retirement and who shall die while in school service before filing with the retirement board a written application for retirement, as heretofore provided, or who within ninety (90) days after the termination of his school service and prior to the date of his death had not entered upon withdrawal or superannuation retirement allowance or withdrawn his accumulated deductions, shall be considered as having elected to receive the actuarial equivalent of his full superannuation allowance under Option 1, as provided in Section 404 of this article, as of the date of his death. In such event, payment under Option 1 shall be made to the beneficiary designated in the nomination of beneficiary form by the member and filed with the retirement board. If said beneficiary has predeceased the contributor, payment under Option 1 shall be made to the legal representative of such contributor.

(3) Should a contributor die before becoming eligible for retirement by reason of having twenty-five (25) years of credited service or having attained his superannuation retirement age, his accumulated deductions shall be paid to his estate or to such person as he shall have nominated by written designation, duly executed and filed with the retirement board.

Section 407. Minimum Benefits to Former School Employees.

(1) Any person sixty-two (62) years of age or older who was a classroom teacher, principal, supervising principal, or superintendent in the public schools of Pennsylvania for at least twenty (20) years, and who separated from school service for any reason prior to July 1, 1919, and who was not thereafter engaged in school service, except temporarily, for not more than two (2) whole school years; or any person who was a classroom teacher, principal, supervising principal, or superintendent in the public schools of Pennsylvania for at least fourteen (14) years, and who separated from school service because of physical or mental disability prior to July 1, 1919, and who still is unable to teach because of such disability, shall receive a State compensation equal to one-eightieth (1/80) of his final average salary for each year of school service, but not less than fifty (50) dollars per month, if such former teacher shall agree, in writing, and hold himself ready under the direction of the board of school directors, to advise and counsel with school officials, to visit and counsel with new teachers, to act as substitute teacher when able, to examine and report on public school work, to visit pupils' homes in the interests of child welfare, to attend educational conferences and addresses, and to be concerned with other educational work as may be deemed necessary and helpful to community-school interests. Any State compensation payable under this subsection to any person who is receiving a retirement allowance under the provisions of a local teachers' retirement system shall be reduced

by the annual amount of the retirement allowance received from such local teachers' retirement system.

(2) Any contributor who retired for superannuation or disability prior to May 1, 1951, shall receive a further State annuity equal to five (5) dollars for each year of credited service, which sum shall be paid in addition to any allowance otherwise payable to such contributor. In the event that a contributor when entering upon a superannuation retirement allowance has elected an option providing for a survivor annuity and the contributor has later died and the survivor beneficiary is in receipt of an annuity, then such further State annuity, if any, payable to such survivor beneficiary shall be such reduced amount as under the rules is related to the full retirement allowance which would have been payable to the retired member if such option had not been elected.

(3) Every annuitant who on November 8, 1955, or any time thereafter until and including December 6, 1955, was receiving a disability allowance or a superannuation retirement allowance under the provisions of this act, shall receive a further State annuity which shall be equivalent to the amount, if any, by which disability allowance or superannuation retirement allowance otherwise payable is less than one thousand two hundred (1,200) dollars where the contributor has forty (40) years or more of credited service in this Commonwealth, or, if less than forty (40) years of such service, then such proportional amount of such one thousand two hundred (1,200) dollars as the years of such credited service bear to forty (40) years.

(4) In the event that an annuitant is receiving a reduced superannuation retirement allowance because of having elected an option, the additional State annuity provided for in subsection (3) of this section, if any, shall be related to the amount of the full retirement allowance he would have received if no option

had been elected, and in the event that a contributor when entering upon a superannuation retirement allowance has elected an option providing for a survivor annuity and the contributor has later died and the survivor beneficiary is in receipt of an annuity, the additional State annuity, if any, payable to such survivor beneficiary shall be such reduced amount as under the rules is related to the additional State annuity, if any, which would have been payable to the retired contributor if such option had not been elected. All increased payments herein provided for shall commence as of November 8, 1955, or on the date of retirement if later than November 8, 1955.

Section 408. Payment of Benefits. A member's annuity, a State annuity or a retirement allowance granted under the provisions of this act shall be paid in equal monthly installments and shall not be increased, decreased, revoked, or repealed except as otherwise provided in this act.

ARTICLE V
ADMINISTRATION

Section 501. Retirement Board.

(1) A retirement board of eight (8) members, to be known as the "Public School Employees' Retirement Board", is hereby constituted, which shall consist of the following:

(a) the Superintendent of Public Instruction, who shall be chairman thereof;

(b) the State Treasurer;

(c) one (1) member who shall be appointed by the Governor of the Commonwealth who shall serve until his successor is appointed;

(d) three (3) members who are members of the system and who shall be elected from among their number in a manner to be approved by the Superintendent of Public Instruction, the State Treasurer, and the member of the retirement board appointed by the Governor, -- one to serve for one (1) year, one for two (2) years, and one for three (3) years, and whose successors shall be elected, for a term of three (3) years, from among the members of the system in a manner to be approved by the retirement board;

(e) one (1) member, not an employe or officer or employe of the State, who shall be elected annually by the retirement board, to serve for a term of one (1) year;

(f) the executive secretary of the Pennsylvania State School Directors' Association.

A vacancy occurring during a term shall be filled for the unexpired term by the appointment of a successor in the same manner as his predecessor.

(2) Each member of the retirement board shall take an oath of office that he will, so far as it devolves upon him, diligently and honestly administer the affairs of said retirement board, and that he will not knowingly violate or wilfully permit to be violated any of the provisions of law applicable to this act. Such oath shall be subscribed by the member making it, and certified by the officer before whom it is taken, and shall be immediately filed in the office of the Secretary of State.

(3) The expenses of the administration of this act by the retirement board, exclusive of the payment of retirement allowances and of the other benefits provided for in this act, shall be paid from interest earnings on the funds in excess of four (4) per centum, except that if in any year such earnings are not sufficient, the balance required shall be paid by the Commonwealth, by biennial appropriations, from the General Fund, made on the basis of estimates submitted by the retirement board. Under the direction of the retirement board, there shall be paid from such excess earnings, and charged to the administration expense account, salaries, wages or other compensation of the officers and employes of the retirement board, contingent expenses, traveling expenses, postage, incidental and other expenses, including telegram and telephone toll charges, necessary for the proper conduct of the work of the retirement board. So much of such interest earnings on the investments of the retirement fund in excess of four (4) per centum as shall be credited to the administration expense account, in the manner provided in this act from time to time, are hereby specifically appropriated to the retirement board, and may be expended for the purposes hereinbefore enumerated. Estimates of the amounts to be expended, under this act, from time to time, by the retirement board shall be submitted to the Department

of Public Instruction, and after approval thereof by the Department of Public Instruction shall be submitted to the Governor for his approval or disapproval, as in the case of other appropriations made to administrative departments, boards, and commissions; and it shall be unlawful for the Auditor General to honor any requisition for the expenditure of any moneys out of this appropriation by the retirement board in excess of the estimates approved by the Governor. Subject to the foregoing provisions, the Auditor General shall, from time to time, upon requisition of the retirement board, draw his warrant on the State Treasurer for the amount specified in such requisition, not exceeding, however, the amount in such fund at the time of making such requisition. All amounts credited to the administration expense fund which remain unexpended and uncommitted at the end of the biennium shall be credited to the State annuity accumulation and reserve account for present employees. The members of the retirement board shall serve without compensation, but shall be reimbursed from the aforesaid appropriation for any necessary expenditures, and no contributor shall suffer loss of salary or wages through serving on the retirement board.

(4) The Superintendent of Public Instruction, subject to the approval of the Governor, shall appoint a secretary, and clerical and other employes and shall contract for such medical, actuarial and investment counsel as may be necessary.

COMMENT: The language ". . . contract for such medical, actuarial and investment counsel as may be necessary," has been added because it has been administrative practice to contract for such services.

(5) The compensation of all persons so appointed shall be fixed by the Superintendent of Public Instruction, subject to the approval of the Governor, and in conformity with the standards of the Executive Board of this Commonwealth.

(6) For the purposes of this act, the retirement board shall possess the powers and privileges of a corporation. The Attorney General of the Commonwealth shall be the legal advisor of said retirement board.

Section 502. Management of Fund and Accounts.

(1) The members of the retirement board shall be the trustees of the retirement fund and shall have exclusive control and management of the said fund and full power to invest the same, subject, however, to all the terms, conditions, limitations, and restrictions imposed by this act upon the making of investments; and subject also to the terms, conditions, limitations, and restrictions imposed by law upon administrative departments, boards, commissions and officers of the State government in the making and disposing of their investments, and subject to like terms, conditions, limitations, and restrictions, said trustees shall have full power to hold, purchase, sell, assign, transfer or dispose of any of the securities and investments in which any of the moneys in the retirement fund shall have been invested, as well as of the proceeds of said investments and of any moneys belonging to said fund.

(2) The retirement board shall annually allow statutory interest on the mean amount of the preceding year to the credit of each of the accounts created in accordance with the provisions of this act. The amounts so allowed shall be annually credited thereto by the retirement board.

The retirement board shall annually credit to the State annuity accumulation and reserve account for present employes all interest on the investments of the retirement fund in excess of four (4) per centum and the expenses of administration, as determined in the manner provided in this act.

(3) The Treasurer of this Commonwealth shall be the custodian of the retirement fund.

(4) All payments from the retirement fund shall be made by the State Treasurer only upon warrants drawn by the Auditor General, in accordance with requisitions signed by the chairman of the retirement board, and countersigned by the secretary of the retirement board, and no requisition shall be drawn except by order of the retirement board duly entered in the record of its proceedings.

(5) For the purpose of meeting disbursements for annuities and other payments in excess of the receipts, there shall be kept available by the State Treasurer an amount, not exceeding ten (10) percent of the total amount in the retirement fund, on deposit in any bank in this Commonwealth, organized under the laws thereof, or under the laws of the United States, or with any trust company incorporated by any laws of this Commonwealth; provided said bank or trust company shall furnish adequate security for said deposit; and provided that the sum so deposited in any one bank or trust company shall not exceed twenty-five (25) percent of the paid-up capital and surplus of said bank or trust company.

(6) Except as herein provided, no trustees or any person connected with the retirement board shall have any interest, direct or indirect, in the gains or profits of any investment made by the retirement board; nor, as such, directly or indirectly, receive any pay or emoluments for his services. And no trustee or person connected with the retirement board, directly or indirectly, for himself, or as an agent or partner of others, shall borrow any of its funds or deposits, or in any manner use the same, except to make such current and necessary payments as are authorized by the board of trustees as provided in this act, nor shall any trustee or person connected with said retirement board become an endorser

or surety, or become in any manner an obligor for moneys loaned by or borrowed of said retirement board.

Section 503. Duties of the Retirement Board.

(1) Subject to the limitations of this act, and of law, the retirement board shall, from time to time, establish rules and regulations for the administration of the fund and ledger accounts created by this act and for the transaction of its business.

(2) The retirement board shall keep, in convenient form, such data as shall be necessary for actuarial valuation of the various accounts created by this act.

(3) In the years 1921 and 1924 and in every fifth year thereafter, the actuary of the retirement board shall make an actuarial investigation into the mortality and service experience of the contributors and beneficiaries as defined in this act, and shall make a valuation of the various accounts created by this act, and, on the basis of such investigation and valuation, the retirement board shall:

(a) adopt for the retirement system one or more mortality tables and such other tables as shall be deemed necessary;

(b) certify the rates of deduction from salary necessary to pay the members' annuities authorized under the provisions of this act; and

(c) certify the rates of contribution expressed as a percentage of salary of new entrants at various ages which shall be made by the Commonwealth to the retirement fund and credited to the State annuity accumulation account.

(4) The retirement board shall prepare, and have published annually, a financial statement showing the condition of the fund and the various accounts created by this act, and setting forth such other facts, recommendations, and data as may be of use in the advancement of knowledge concerning employees' pensions and annuities, and said retirement board shall submit said financial statement to the Governor of the Commonwealth and shall file copies thereof in the office of the State Department of Public Instruction, of the State Insurance Department, and of each employer for use of the employees and the public.

(5) As soon as practicable after each present employe shall have filed with the retirement board a detailed statement of all prior service rendered by him, the retirement board shall verify such statement as to prior service, and shall issue to each such employe a certificate certifying to the aggregate length of his prior service. Such certificate shall be final and conclusive as to his prior service, unless thereafter modified: (i) by the retirement board upon application by employe or (ii) by the State Superintendent of Public Instruction, upon application by the employe or by the retirement board; provided such application for modification be made to the State Superintendent of Public Instruction within one (1) year after the issuance of a certificate or a modified certificate by the retirement board. A certificate for prior service issued to a present employe shall certify the total number of completed years of prior service allowances for said present employe. Notwithstanding any other provisions of this act, any contributor who shall have rendered school service prior to July 1, 1919, and has not been given credit for such service shall, at retirement for superannuation, be given full credit for each year of such prior service as if certified on a prior service certificate and shall be reclassified as a present employe.

COMMENT: The provision in subsection (5) for reclassification as a present employe at retirement for superannuation retirement was added in conformity with administrative practice.

(6) In every case where the retirement board has received an application for a disability allowance from a contributor or from a person acting in his behalf, the retirement board shall designate a physician or physicians to examine such contributor at the place of his residence or at a place mutually agreed upon. A disability allowance shall not be approved unless such physician or physicians shall certify to the retirement board that said contributor is physically or mentally incapacitated for the performance of duty.

(7) Once each year the retirement board may require any disability annuitant, while still under age sixty-two (62), to undergo medical examination by a physician or physicians, designated by the retirement board; such examination to be made at the place of residence of the beneficiary, or other place mutually agreed upon.

(8) In the event that a contributor who has complied with the provisions of Article II, Section 206, subsection (3), and Article III, Section 302, subsection (4), relating to military service, or Article II, Section 207, and Article III, Section 302, subsection (5) relating to out-of-state service, separates from the retirement system otherwise than by retirement on account of superannuation, disability or withdrawal, the retirement board shall pay to him or a designated beneficiary at his request the amount paid by him on account of such military service or such out-of-state service as the equivalent of the contributions of the school district and the Commonwealth.

(9) In the event that a school employe who has been granted a military leave of absence according to the provisions of Article II, Section 206, subsection (1) resigns or fails to return within one (1) year from the date of his discharge to his employment or to school service in any other school district within this Commonwealth or as an employe of any institution or board, the employes of which are entitled to membership in the retirement system, the amount contributed by the school district on behalf of such employe shall be deducted from the refund payable to such employe under existing law, and the amount so deducted shall be refunded to the school district by which it was paid.

COMMENT: Subsection (9) was added to give recognition to the applicable provisions of Article XI, subdivision (g) of the Public School Code of 1949, as amended, relating to military service.

(10) The retirement board shall, beginning on July 1, 1956, submit once every four (4) years to each contributor a statement indicating the amount credited to such contributor in the fund.

COMMENT: The existing statute has been interpreted to allow the retirement board to provide the entire membership with a statement once every four years.

(11) The retirement board shall keep a record of all of its proceedings, which shall be open to inspection by the public.

(12) The retirement board shall perform such other functions as are required for the execution of the provisions of this act.

Section 504. Duties of Employers.

(1) Each employer shall, before employing any person to whom this act may apply, notify such person of his duties and obligations under this act as a condition of his employment.

(2) During September of each year each employer shall certify to the retirement board the names of all employes to whom this act applies.

(3) Each employer shall, on the first day of each calendar month, notify the retirement board of the employment of new employes, removals, withdrawals, and changes in salary of employes, that shall have occurred during the month preceding.

(4) Under the direction of the retirement board, each employer shall furnish such other information as the board may require in the discharge of its duties.

(5) Each employer shall cause to be deducted on each payroll of a contributor, for each payroll period subsequent to June 30, 1935, such per centum as shall be certified to said employer by the retirement board as proper, in accordance with the provisions of this act. In determining the amount earnable by a contributor in a payroll period, the retirement board may consider the rate of salary payable to such contributor on the first day of each regular payroll period as continuing throughout such payroll period, and it may omit salary deductions for any period less than a full payroll period in cases where the employe was not a contributor on the first day of the regular payroll period; and, to facilitate the making of the deductions, it may modify the deduction required of any contributor by such amount as shall not exceed one-tenth (1/10) of one (1) per centum of the salary upon the basis of which the deduction is to be made. The deductions provided herein shall be made, notwithstanding that minimum salaries provided for by the laws, ordinances, resolutions, or other acts of the Commonwealth, or of any other employer, shall be reduced thereby. Each employer shall certify to the treasurer of said employer, on each payroll, a statement as voucher for the amount so deducted, and shall send a duplicate of such statement to the secretary of the retirement board.

(6) The treasurer of each employer, on receipt from the employer of the voucher for deductions from the salaries of employes, provided in subsection (5) of this section, shall transmit monthly, or at such times as the retirement board shall designate, the amounts specified in such voucher to the secretary of the retirement board. The secretary of the retirement board, after making a record of all such receipts, shall pay them to the Treasurer of the Commonwealth, through the Department of Revenue, for use according to the provisions of this act.

(7) Each employer shall keep such records as the retirement board may require.

(8) Upon receipt from any employe of any school district of a copy of a notice to report for duty in the armed forces of the United States of America, the secretary of the school board of such school district shall verify the information contained in the notice and upon verification of such facts shall record the same in the records of the school board and send notice thereof to such employe.

COMMENT: Subsection (8) was added to give recognition in the retirement code to the provisions of Article XI, subdivision (g), of the Public School Code of 1949, as amended, relating to military leaves of absence.

Section 505. Duties of School Employes.

(1) Any employe of any school district who desires to receive credit for service while on a military leave of absence granted under the provisions of Article II, Section 206, subsection (1), shall within thirty (30) days after the receipt of notice to report for duty, send a copy of such notice to the secretary of the school board by which he is employed.

COMMENT: Subsection (1) was added to give recognition in the retirement code to the provisions of Article XI, subdivision (g), of the Public School Code of 1949, as amended, relating to military service.

(2) Any school employe who desires to receive credit for military service as provided by Article II, Section 206, subsection (3), shall make application in writing for such credit to the retirement board within two (2) years after July 27, 1953, or, in the case of persons returning to school service after that date, within two (2) years after returning to school service.

(3) Any school employe who desires to receive credit for out-of-state service, as provided by Article II, Section 207, shall make application in writing to the retirement board and shall (i) submit proof satisfactory to the retirement board of all or part of such service, (ii) file an affidavit in the form prescribed by the retirement board, stating that he is not entitled to a deferred retirement allowance for such service and in the case of school employes becoming contributors after that, he has not forfeited any vested right to a deferred retirement allowance for such service, and (iii) pay or agree to pay the back contributions provided for in Article III, Section 302, subsection (5). Such application shall be made within three (3) years after the applicant becomes a contributor or, in the case of applicants who are members on September 1, 1957, on or before October 1, 1960.

Any school employe who desires to make additional contributions on account of out-of-state service in accordance with the provisions of Article III, Section 302, subsection (5) (b), shall submit proof satisfactory of such service to the retirement board.

(4) Any school employe who has reached superannuation retirement age and who desires to receive a superannuation retirement allowance shall file with the retirement board a written statement, duly attested, setting forth at what time, subsequent to the execution of said application, he desires to be retired. Said application shall retire the contributor at the time so specified, or in the discretion of the retirement board, at the end of the school term in which the time so specified occurs.

(5) Any school employe who desires to receive one of the optional forms of allowance according to the provisions of Article IV, Section 404, shall so elect, at or before the time of his superannuation retirement, by written election, duly executed and filed with the retirement board.

(6) Each school employe who has at least ten (10) school years of school service, who is under superannuation retirement age and who desires to receive disability allowance shall file an application with the retirement board or such application may be made by a person acting in his behalf or by the employer of such school employe.

(7) Should any disability annuitant, while under age sixty-two (62), refuse to submit to at least one (1) medical examination in any year by a physician or physicians designated by the retirement board, his State annuity shall be discontinued until the withdrawal of such refusal, and, should such refusal continue for one (1) year, all his rights in and to his State annuity shall be forfeited.

ARTICLE VI

PUBLIC SCHOOL EMPLOYES' RETIREMENT FUND AND ACCOUNTS

Section 601. Creation of Fund and Accounts. The fund and accounts hereby created are the Public School Employes' Retirement Fund, the State annuity accumulation account, the State annuity reserve account, the State annuity accumulation and reserve account for present employes, the members' annuity savings account, the members' annuity reserve account, and the administration expense account.

COMMENT: The titles, "State annuity accumulation account" and "State annuity accumulation and reserve account for present employes," have been substituted for "contingent reserve account" and "contingent reserve account number two" because these titles are more descriptive of the function of the accounts.

Section 602. Public School Employes' Retirement Fund. The Public School Employes' Retirement Fund shall consist of all moneys in the State Treasury, set apart to be used under the direction of the retirement board for the retirement of members of the retirement system. The Treasury Department shall credit to the fund all moneys received by it from the Department of Revenue, arising from contributions by the Commonwealth and members of the retirement system as provided by this act, and all interest earned by the investments or moneys of said fund. There shall be established and maintained by the retirement board, for actuarial purposes, the several hereinafter-named ledger accounts.

Section 603. State Annuity Accumulation Account. The State annuity accumulation account shall be the account to which shall be credited all contributions for the State annuities payable to new entrants, as described in Article III, Section 303, subsection (1).

Section 604. State Annuity Reserve Account. The State annuity reserve account shall be the account to which shall be credited the reserves held for the payment of State annuities payable on account of retired new entrants. Upon the retirement of a new entrant an amount equal to his State annuity reserve shall be transferred by the retirement board from the State annuity accumulation account to the credit of the ledger account known as the State annuity reserve account. His State annuity shall be charged to the State annuity reserve account and paid from the fund. Should a new entrant be subsequently restored to active service, his State annuity reserve shall thereupon be transferred from the State annuity reserve account to the State annuity accumulation account. Should the State annuity of any such new entrant be otherwise reduced or discontinued, in accordance with the provisions of this act, his State annuity reserve, or such proportionate part of his State annuity reserve as corresponds to the amount of the reduction in his State annuity, shall be transferred from the State annuity reserve account to the State annuity accumulation account.

Section 605. State Annuity Accumulation and Reserve Account for Present Employees. The State annuity accumulation and reserve account for present employees shall be the account to which shall be credited all contributions for the State annuities of present employees as described in Article III, Section 303, subsection (2). Upon the retirement of a present employee, his State annuity shall be charged to the State annuity accumulation and reserve account for present employees.

Section 606. Members' Annuity Savings Account. The members' annuity savings account shall be the account to which shall be credited the amounts of the accumulated deductions of contributions as described in Article III, Sections 301 and 302.

Section 607. Members' Annuity Reserve Account. The members' annuity reserve account shall be the account to which shall be credited the reserves held for the payment of all members' annuities on account of retired employes. Upon the retirement of a contributor, a credit equivalent to the amount of his accumulated deductions shall be transferred from the members' annuity savings account to the members' annuity reserve account. His member's annuity shall be charged to the members' annuity reserve account, and paid from the fund. Should the contributor be subsequently restored to active service, his member's annuity reserve shall thereupon be transferred from the members' annuity reserve account to the members' annuity savings account.

Section 608. Administration Expense Account. There shall be credited by the retirement board to a ledger account, to be known as the administration expense account, the amount of the estimate of amounts to be expended from time to time by the Department of Public Instruction for expenses of administration.

ARTICLE VII

TRANSFERS FROM AND TO THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM AND THE STATE EMPLOYEES' RETIREMENT SYSTEM

Section 701. Retention of Credits in Public School Employes' Retirement System. Any contributor who ceases to be a school employe and becomes a State employe and a member of the State Employes' Retirement System, by leaving with the retirement board all of his accumulated deductions at the time he ceases to be a school employe, may retain his membership in the retirement system, but without credit under the retirement system for service for which credit is allowed under the State Employes' Retirement System, and without the right to a disability retirement allowance under the provisions of Article IV, Section 405, and with final average salary equal to the average annual compensation earned by the contributor as a school employe for the years of service, not exceeding ten (10), immediately preceding the date he ceased to be a school employe, and any person, who has heretofore been a contributor and has ceased to be a school employe and has become a State employe and a member of the State Employes' Retirement System, may restore his membership in the retirement system by repaying to the retirement board the full amount of his accumulated deductions at the time he ceased to be a school employe, or any part thereof that may have been heretofore withdrawn. Any such accumulated deductions left with or repaid to the retirement board, shall be credited with statutory interest as long as the former contributor continues to be a State employe and a contributor under the State Employes' Retirement System. Nothing contained in this section shall limit the right of a school employe, who separates from his service as a school employe to become a State employe and a member of the State Employes' Retirement System, to retain or restore his rights as a member as they existed at the time of such

separation, in the manner provided in this act, or to return to service as a school employe, at any time, and to add to such retained or restored rights by further service and further payroll deductions.

Section 702. Transfer of Service Credit from the State Employees' Retirement System to the Public School Employees' Retirement System. Any school employe who was a contributor on May 17, 1956, who as a State employe made contributions under the State Employees' Retirement System and on account of whose service contributions were made by the State to the State Employees' Retirement Fund on account of the service credited to him under the State Employees' Retirement System and for which he has not heretofore been credited under the Public School Employees' Retirement System, may request the State Employees' Retirement Board to transfer his credit for such previous service to this retirement system. The retirement board shall credit the contributor with such period of service upon the fulfillment of the following conditions:

(1) there shall be furnished to the retirement board by the State Employees' Retirement Board a statement certifying all such service heretofore credited as a member of the State Employees' Retirement System, which hereafter is to be considered as having been rendered as a school employe;

(2) the transfer to the fund from the State Employees' Retirement Fund of an amount equal to all contingent and State annuity reserves and the accumulated deductions to the credit of such contributor in the State Employees' Retirement System as determined by the State Employees' Retirement Board;

(3) the payment into the fund of a sum equal to the amount of back payments that would have been made by such contributor under the rules of the retirement board fixing the entry age and the percentage of salary deductions required

of such contributor because of such previous service toward which sum the amount of transferred accumulated deductions shall be applied, 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 superannuation retirement age; and

(4) a further sum shall be paid into the fund by the contributor sufficient to provide the cost of the additional State annuity related to such previous service for which credit may have been allowed under this act less the sum and the accrued interest thereon transferred from the State Employees' Retirement Fund as the amount equal to all contingent and State annuity reserves to the credit of such contributor. Until such further sum is applied toward providing such additional State annuity, it shall be separately credited to the account of the contributor in the members' annuity savings account, subject to the rules governing members' accumulated deductions. Such further sum 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; provided, however, that in the event the entire amount so paid does not equal the total sum required to provide such additional State annuity related to such previous service, such additional State annuity shall be reduced proportionately.

Section 703. Transfer of Pennsylvania State University Employees to the Public School Employees' Retirement System. Any officer or employe of the Pennsylvania State University may make written request to the retirement board to grant him membership in the retirement system and to give him credit for previous service for which credit was allowed in the State Employees' Retirement

System, provided such employe was formerly a school employe and had made contributions and on account of whose service contributions had been made by the State and by any school district to the fund on account of the service credited to him under the 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 Employees' Retirement Board a statement certifying (a) that provisions of the act under which the State Employees' Retirement System is administered have been complied with, and (b) all service heretofore credited as a member of the State Employees' Retirement System which is to be considered thereafter as having been rendered as a member of the retirement system.

(2) The transfer to the fund from the State Employees' Retirement Fund of an amount equal to (a) the accumulated deductions to the credit of such contributor, and (b) the State annuity accumulation account or State annuity accumulation and reserve account for present employes carried on account of such member in the State Employees' Retirement Fund as determined by the State Employees' Retirement Board.

(3) The payment into the 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 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 superannuation retirement age. 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 State annuity accumulation account or State annuity accumulation and reserve account for present employees shall be applied towards providing the required reserve in the fund. If such transferred reserve is greater than the required reserve, the excess shall be applicable towards future contributions toward 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.

Section 704. Transfer of Service Credit to the State Employees' Retirement System. Any person who has heretofore been a contributor and has ceased to be a school employe and has become a State employe and a member of the State Employees' Retirement System may request, in writing, the retirement board to certify to the State Employees' Retirement Board the period of service for which credit has been allowed, and to transfer to the State Employees' Retirement Fund a sum equal to all reserves for State annuities and the accumulated deductions to the credit of such employe in the fund, as determined by the retirement board, for the purpose of establishing credit in the State Employees' Retirement System under which he may receive credit in that system as a State employe for service previously credited to him in the retirement system in accordance with the act as

amended establishing the State Employees' Retirement System. Upon receipt of such request the retirement board shall make such certification and transfer of funds.

Section 705. Retransfer of Credits. Any person who has heretofore been a contributor to the retirement system and has ceased to be a contributor, has become a State employe and a member of the State Employees' Retirement System and has previously transferred credits for service in the retirement system in this Commonwealth from the Public School Employees' Retirement System to the State Employees' Retirement System, may retransfer such credits from the State Employees' Retirement System to the Public School Employees' Retirement System upon written application and certification by the State Employees' Retirement System of the service credit to be retransferred and upon the repayment to the Public School Employees' Retirement System of all sums previously withdrawn and paid into the State Employees' Retirement System on account of such previous service.

ARTICLE VIII
GENERAL PROVISIONS

Section 801. State Guarantee. Statutory interest charges payable, the creation and maintenance of reserves in the fund created by this act to the credit of the State annuity accumulation account, and the State annuity accumulation and reserve account for present employes, and the maintenance of members' annuity reserves and State annuity reserves as provided for in this act, and the payment of all retirement allowances and other benefits granted by the retirement board under the provisions of this act, are hereby made obligations of the Commonwealth. All income, interest and dividends derived from deposits and investments authorized by this act shall be used for the payment of the said obligations of the Commonwealth.

Section 802. State Supervision. The fund and ledger accounts created by this act shall be subject to the supervision of the State Insurance Department.

Section 803. Exemption from Execution. The right of a person to a member's annuity, a State annuity, or retirement allowance, to the return of contributions, any benefit or right accrued or accruing to any person under the provisions of this act, and the moneys in the fund created under this act, are hereby exempt from any State or municipal tax, and exempt from levy and sale, garnishment, attachment, or any other process whatsoever, and shall be unassignable, except as in this act specifically otherwise provided, and except that the assignment of any or all rights as security for a loan, not in excess of three hundred (300) dollars made by a member with an organization or credit union whose officers are certified as teachers, shall be valid; provided, however, that the interest rate shall not exceed that permitted by law for such organization or credit union.

Section 804. Fraud; Adjustments. Any person who shall knowingly make any false statement, or shall falsify or permit to be falsified any record or records of this retirement system, in any attempt to defraud the retirement system as a result of such act, shall be guilty of a misdemeanor, and shall be punishable for such under the laws of the Commonwealth. Should any such change in records or any mistake in records result in any employe or beneficiary receiving from the retirement system more or less than he would have been entitled to receive had the records been correct, then, on the discovery of any such error, the retirement board shall correct such error, and, so far as practicable, shall adjust the payments which may be made for and to such person in such a manner that the actuarial equivalent of the benefit to which he was correctly entitled shall be paid.

Section 805. Construction of Act. The provisions of this act, so far as they are the same as those of existing law, are intended as a continuation of such laws, and not as new enactments. The repeal by this act of any act of Assembly, or part thereof, shall not revive any act or part thereof heretofore repealed or superseded. The provisions of this act shall not affect any act done, liability incurred, or right accrued or vested, or affect any suit or prosecution pending, or to be instituted to enforce any right or penalty or punish any offense under the authority of such repealed laws.

Section 806. Provisions Severable. The provisions of this act are severable, and, if any of its provisions shall be held to be unconstitutional, the decision of the court shall not affect or impair any of the remaining provisions. It is hereby declared to be the legislative intent that this act would have been adopted had such unconstitutional provisions not been included here.

Section 807. General Repealer. All acts and parts of acts inconsistent with this act are hereby repealed.

Section 808. Effective Date. This act shall become effective _____.

APPENDIX I

SECTIONS OF THE PUBLIC SCHOOL EMPLOYEES'
RETIREMENT LAW OF 1917, P. L. 1043,
AND ALL AMENDMENTS AND SUPPLEMENTAL
LAWS ENACTED BY SUCCESSIVE SESSIONS
OF THE GENERAL ASSEMBLY UP TO
AND INCLUDING THE SESSION OF 1957

Sections of the Public School
Employes' Retirement Law

Acts

Supplements Modifying the Public School
Employes' Retirement Act of 1917

Act of 1942, May 6, P. L. 101
Act of 1945, May 23, P. L. 933
Act of 1952, January 14, P. L. (1951) 2015
Act of 1953, August 19, P. L. 1097
Act of 1956, May 17, P. L. (1955) 1622
Act of 1956, May 17, P. L. (1955) 1623
Act of 1957, June 20, P. L. 337

Amendments to the Public School Employes'
Retirement Act of 1917

Section 1

Act of 1921, April 21, P. L. 245, Section 1
Act of 1925, April 6, P. L. 150, Section 1
Act of 1925, April 7, P. L. 162, Section 1
Act of 1925, April 28, P. L. 354, Section 1
Act of 1929, May 14, P. L. 1738, Section 1
Act of 1935, July 12, P. L. 650, Section 1
Act of 1935, July 12, P. L. 698, Section 1
Act of 1945, May 22, P. L. 827, Section 1
Act of 1949, May 27, P. L. 1888, Section 1
Act of 1951, December 27, P. L. 1739, Section 1
Act of 1953, July 27, P. L. 643, Section 1
Act of 1956, June 1, P. L. (1955) 1988, Section 1
Act of 1957, June 14, P. L. 317, Section 1
Act of 1957, July 13, P. L. 883, Section 1

Section 2

None

Section 3

Act of 1923, June 29, P. L. 935, Section 1
Act of 1927, March 22, P. L. 50, Section 1
Act of 1929, May 14, P. L. 1738, Section 2
Act of 1931, April 24, P. L. 65, Section 1
Act of 1935, June 7, P. L. 282, Section 1
Act of 1939, June 12, P. L. 332, Section 1
Act of 1945, May 3, P. L. 415, Section 1
Act of 1945, May 15, P. L. 521, Section 1
Act of 1947, May 23, P. L. 294, Section 1
Act of 1949, May 9, P. L. 966, Section 1
Act of 1952, January 14, P. L. (1951) 1881,
Section 1

Sections of the Public School
Employees' Retirement Law

Acts

Section 4	Act of 1929, May 14, P. L. 1738, Section 3 Act of 1933, May 4, P. L. 265, Section 1 Act of 1943, June 3, P. L. 832, Section 1 Act of 1949, April 7, P. L. 408, Section 1 Act of 1951, September 26, P. L. 1450, Section 1
Section 5	None
Section 6	Act of 1929, May 14, P. L. 1738, Section 4 Act of 1933, May 4, P. L. 265, Section 2
Section 7	Act of 1925, April 7, P. L. 162, Section 2 Act of 1929, May 14, P. L. 1738, Section 5 Act of 1935, July 12, P. L. 698, Section 2 Act of 1951, September 26, P. L. 1450, Section 2
Section 8	Act of 1925, April 7, P. L. 162, Section 3 Act of 1925, April 28, P. L. 354, Section 3 Act of 1929, May 14, P. L. 1738, Section 6 Act of 1933, May 4, P. L. 265, Sections 3, 4, 5 Act of 1935, July 12, P. L. 698, Sections 3, 4, 5 Act of 1945, May 2, P. L. 374, Section 1, added clause 6.1 Act of 1947, May 23, P. L. 284, Section 1, added subsection 3.1 Act of 1949, April 25, P. L. 752, Section 1 Act of 1951, September 26, P. L. 1450, Sections 3, 4, 5 Act of 1951, December 27, P. L. 1739, Section 2 Act of 1952, January 14, P. L. (1951) 1962, Section 1 Act of 1952, January 18, P. L. (1951) 2149, Section 1 Act of 1956, May 15, P. L. (1955) 1575, Section 1 Act of 1956, June 1, P. L. (1955) 1968, Section 1 Act of 1956, June 1, P. L. (1955) 1992, Section 1 Act of 1956, June 1, P. L. (1955) 2010, Section 1 Act of 1957, July 13, P. L. 883, Section 2 Act of 1957, July 18, P. L. 1002, Section 1
Section 9	Act of 1929, May 14, P. L. 1738, Section 7 Act of 1951, September 26, P. L. 1450, Section 6
Section 9.1	Act of 1956, June 1, P. L. (1955) 1968, Section 2 added Act of 1957, July 13, P. L. 883, Section 3
Section 10	Act of 1929, May 14, P. L. 1738, Section 8

Sections of the Public School
Employes' Retirement Law

Acts

Section 11	Act of 1925, April 7, P. L. 162, Section 4 Act of 1929, April 23, P. L. 638, Section 1 Act of 1947, July 5, P. L. 1352, Section 1 Act of 1951, July 19, P. L. 1064, Section 1
Section 11.1	Act of 1951, December 27, P. L. 1797, Section 1 added Act of 1953, July 28, P. L. 684, Section 1 Act of 1957, June 20, P. L. 333, Section 1 Act of 1957, June 20, P. L. 354, Section 1 Act of 1957, July 13, P. L. 890, Section 1
Section 12	Act of 1921, April 21, P. L. 245, Section 2 Act of 1923, June 28, P. L. 902, Section 1 Act of 1925, April 28, P. L. 354, Section 2 Act of 1929, May 4, P. L. 1738, Section 9 Act of 1931, June 22, P. L. 867, Section 1 Act of 1937, July 1, P. L. 2601, Section 1 Act of 1945, May 15, P. L. 521, Section 2 Act of 1945, May 22, P. L. 827, Section 1 Act of 1949, April 25, P. L. 752, Section 2 Act of 1949, May 9, P. L. 966, Section 2 Act of 1951, September 26, P. L. 1450, Section 7 Act of 1952, January 14, P. L. (1951) 1881, Section 1 Act of 1956, June 1, P. L. (1955) 1990, Section 1 Act of 1957, July 13, P. L. 883, Section 4
Section 12.1	Act of 1947, July 7, P. L. 1365, Section 1 added Act of 1952, January 19, P. L. (1951) 2166, Section 1
Section 12.2	Act of 1957, June 14, P. L. 317, Section 2 added
Section 13	Act of 1941, August 1, P. L. 708, Section 1 added clause 6 Act of 1945, April 10, P. L. 179, Section 1 Act of 1945, May 23, P. L. 935, Repealed clause 6 Act of 1949, April 25, P. L. 752, Section 3 Act of 1956, June 1, P. L. (1955) 1993, Section 1
Section 14	Act of 1925, March 30, P. L. 85, Section 1 Act of 1925, April 7, P. L. 162, Section 5 Act of 1929, May 14, P. L. 1738, Section 13 repealed paragraph 4 Act of 1929, May 15, P. L. 1759, Section 1 Act of 1935, July 15, P. L. 1000, Section 1

Sections of the Public School
Employees' Retirement Law

Acts

Section 14 continued	Act of 1937, April 22, P. L. 397, Section 1 Act of 1941, August 5, P. L. 799, Section 1 Act of 1943, April 13, P. L. 37, Section 1 Act of 1945, May 3, P. L. 407, Section 1 Act of 1945, May 3, P. L. 409, Section 1 Act of 1949, April 25, P. L. 752, Section 4 Act of 1949, May 23, P. L. 1804, Section 1 Act of 1949, May 26, P. L. 1818, Section 1 Act of 1951, September 26, P. L. 1450, Section 8 Act of 1955, December 6, P. L. 794, Section 1 Act of 1956, June 1, P. L. (1955) 1968, Section 3 Act of 1956, June 1, P. L. (1955) 1993, Section 2 Act of 1957, July 13, P. L. 883, Section 5 Act of 1957, July 18, P. L. 1001, Section 1
Section 15	Act of 1929, May 14, P. L. 1738, Section 10 Act of 1931, June 22, P. L. 864, Section 1 Act of 1951, September 26, P. L. 1450, Section 9
Section 15.1	Act of 1956, May 18, P. L. (1955) 1629, Section 1 added Act of 1957, July 13, P. L. 883, Section 6
Section 16	None
Section 17	Act of 1929, May 14, P. L. 1738, Section 11
Section 18	Act of 1929, May 14, P. L. 1738, Section 12 Act of 1937, July 1, P. L. 2600, Section 1
Section 19	None

APPENDIX 2

CROSS-REFERENCE TABLE

PUBLIC SCHOOL EMPLOYEES' RETIREMENT LAW,
 ACT OF JULY 18, 1917, P. L. 1043, AS AMENDED
 AND THE
 PROPOSED PUBLIC SCHOOL EMPLOYEES' RETIREMENT CODE OF 1959

Public School Employees' Retirement Law	Proposed Code
(1)	(2)
Section 1	
1	Article I, Section 102 (1)
2	Deleted
3	Article I, Section 102 (4)
4	Deleted
5	Article I, Section 102 (5)
6	Article I, Section 102 (8)
7	Article I, Section 102 (7)
8	Article I, Section 102 (17)
9	Article I, Section 102 (18)
9.1	Article II, Section 203 (1)
9.2	Article II, Section 202 (2)
10	Article I, Section 102 (9)
11	Article I, Section 102 (11)
12	Article I, Section 102 (13)
13	Article I, Section 102 (14)
14	Article I, Section 102 (12)
15	Deleted
16	Deleted

Public School Employees'
Retirement Law

Proposed Code

(1)

(2)

17	Article I, Section 102 (23)
18	Article I, Section 102 (21)
19	Article I, Section 102 (22)
20	Article I, Section 102 (24)
21	Article I, Section 102 (25)
22	Article I, Section 102 (26)
23	Deleted
24	Deleted
25	Article I, Section 102 (2)
26	Deleted
27	Deleted
28	Deleted
29	Deleted
30	Deleted
Section 2	Deleted
Section 3	
1	Article II, Section 202, subsection (2) (a)
2	Article II, Section 202, subsection (2) (b)
3	Deleted
Section 4	
1	Article V, Section 501, subsection (1)
2	Article V, Section 501, subsection (3)

Public School Employees'
Retirement Law

Proposed Code

(1)

(2)

3	Article V, Section 501, subsection (4)
4	Article V, Section 501, subsection (5)
5	Article V, Section 503, subsection (1)
6	Article V, Section 503, subsection (2)
7	Article V, Section 503, subsection (3)
8	Deleted
9	Article V, Section 503, subsection (4) Article V, Section 503, subsection (10)
10	Article V, Section 501, subsection (2)
11	Article V, Section 503, subsection (11)
12	Article V, Section 503, subsection (12)
Section 5	Article V, Section 501, subsection (6)
Section 6	
1	Article V, Section 502, subsection (1)
2	Article V, Section 502, subsection (2)
3	Article V, Section 502, subsection (3)
4	Article V, Section 502, subsection (4)
5	Article V, Section 502, subsection (5)
6	Article V, Section 502, subsection (6)
Section 7	
1	Article V, Section 504, subsection (1)
2	Article V, Section 504, subsection (2)
3	Article V, Section 504, subsection (3)

Public School Employees'
Retirement Law

Proposed Code

(1)	(2)
4	Article V, Section 504, subsection (4)
5	Article V, Section 504, subsection (5)
6	Article V, Section 504, subsection (6)
7	Article V, Section 504, subsection (7)
Section 8	
1	Article VI, Section 601
2	Article VI, Section 602
3	Article VI, Section 603
3.1	Article III, Section 303, subsection (1)
4	Article VI, Section 604
5	Article III, Section 303, subsection (2) Article VI, Section 605
6	Article III, Section 301 Article VI, Section 606
6.1	Article III, Section 302, subsection (5) (b) Article V, Section 505, subsection (3)
6.2	Deleted
6.3	Article II, Section 209 Article III, Section 302, subsection (7)
7	Article VI, Section 607
8	Article III, Section 301, subsection (2) (c)
9	Article VI, Section 608
10	Deleted
Section 9	Article III, Section 304
Section 9.1	Article III, Section 305

Public School Employes'
Retirement Law

Proposed Code

(1)

(2)

Section 10

Article III, Section 307
Article VIII, Section 801

Section 11

Article II, Section 204
Article V, Section 503, subsection (5)

Section 11.1

Article II, Section 207
Article III, Section 302, subsection (5)
Article V, Section 505, subsection (3)

Section 12

1

Article IV, Section 402, subsection (1)

1.1

Article IV, Section 402, subsection (2)
Article IV, Section 403, subsection (1)

2

Article II, Section 210
Article V, Section 503, subsection (5)

3

Article IV, Section 406, subsection (3)

Section 13

1

Article V, Section 503, subsection (6)

2

Article IV, Section 405, subsection (4)
Article V, Section 503, subsection (7)

3

Article V, Section 505, subsection (7)

4

Deleted

5

Article IV, Section 405

6

Article IV, Section 407, subsection (2)

Section 14

1

Article IV, Section 401, subsections (1) (a),(b)

2

Article IV, Section 401, subsection (2)

Public School Employees'
Retirement Law

Proposed Code

(1)

(2)

3	Article IV, Section 401, subsections(1) (a), (b)
4	Article III, Section 303, subsection (3) Article IV, Section 407, subsections (1),(3),(4)
5	Article IV, Section 403, subsection (1)
6	Article IV, Section 407, subsection (2)
Section 15	Article IV, Section 404 Article IV, Section 405, subsection (3)
Section 15.1	Article IV, Section 406
Section 16	Article IV, Section 408
Section 17	Article VIII, Section 802
Section 18	Article VIII, Section 803
Section 19	Article VIII, Section 804

APPENDIX 3

CROSS-REFERENCE TABLE

PROPOSED PUBLIC SCHOOL EMPLOYEES' RETIREMENT CODE OF 1959
AND THE
PUBLIC SCHOOL EMPLOYEES' RETIREMENT LAW,
ACT OF JULY 18, 1917, P. L. 1043, AS AMENDED

Proposed Code	Public School Employees' Retirement Law
(1)	(2)
ARTICLE I	
Section 101	...
Section 102	Section 1
ARTICLE II	
Section 201	Section 3
Section 202	Section 3
Section 203	Section 1
Section 204	Sections 1 and 11
Section 205	...
Section 206	Act of January 14, 1952, P. L. (1951) 2015, as amended
Section 207	Section 11.1
Section 208	...
Section 209	Section 8
Section 210	Section 12
ARTICLE III	
Section 301	Section 8
Section 302	Sections 8, 11, 11.1 and 12

Proposed Code	Public School Employees' Retirement Law
(1)	(2)
Section 303	Sections 8 and 14
Section 304	Section 9
Section 305	Section 9.1
Section 306	...
Section 307	Section 10
ARTICLE IV	
Section 401	Section 14
Section 402	Section 12
Section 403	Sections 12 and 14
Section 404	Section 15
Section 405	Sections 13 and 15
Section 406	Sections 12 and 15.1
Section 407	Sections 13 and 14
Section 408	Section 16
ARTICLE V	
Section 501	Sections 4 and 5
Section 502	Section 6
Section 503	Sections 4, 11, 12 and 13 Act of January 14, 1952, P. L. (1951) 2015, as amended
Section 504	Section 7
Section 505	Act of January 15, 1952, P. L. 2015, as amended Section 11.1 Section 13 Section 14 Section 15

Proposed Code	Public School Employees' Retirement Law
(1)	(2)

ARTICLE VI

Section 601	Section 8
Section 602	Section 8
Section 603	Section 8
Section 604	Section 8
Section 605	Section 8
Section 606	Section 8
Section 607	Section 8
Section 608	Section 8

ARTICLE VII

Section 701	Section 12.1
Section 702	Act of May 17, 1956, P. L. (1955) 1623
Section 703	Section 12.2
Section 704	Act of May 17, 1956, P. L. (1955) 1622
Section 705	Act of June 20, 1957, P. L. 377

ARTICLE VIII

Section 801	Section 10
Section 802	Section 17
Section 803	Section 18
Section 804	Section 19
Section 805	...
Section 806	...
Section 807	...
Section 808	...