

Membership Qualification Rules as it relates to the Purchasing of School Service

Time Period	Rule	Legislative Act
July 1, 1919 through June 30, 1975	Beginning with fiscal year 1920 and ending with the enactment Act 1975-96, only full-time employees were eligible for PSERS membership and members qualified from the first day of paid service.	Act 1917 - 343
July 1, 1975 through November 22, 2010	<p>Beginning with fiscal year 1976, part-time employees became eligible for PSERS membership if they met a minimum service requirement. The minimum service requirements were as follows:</p> <ul style="list-style-type: none"> • PT Salaried: First day of paid service • PT Per Diem: 80 Days¹ • PT Hourly: 500 hours¹ <p>This requirement had to be met each fiscal year.</p> <p>The membership rules for full-time members were not changed by this legislation.</p> <p>All full-time service and qualifying part-time service rendered on or after July 1, 1975, that was not reported to PSERS must be credited to the member's account through a mandatory purchase of service.</p> <p>PSERS interpreted Act 1975-96 to allow members the <i>option</i> to purchase any or all part-time qualifying service rendered prior to July 1, 1975; this purchase is not mandatory.</p> <p>Under this interpretation, PSERS did not allow members to purchase non-qualifying part-time service whether it was rendered before or after July 1, 1975.</p> <p>Non-Qualifying Part-time Service:</p> <ul style="list-style-type: none"> • Part-time Hourly = less than 500 hours • Part-time Per Diem = less than 80 days 	Act 1975 - 96
February 1, 1999 through April 20, 1999	PSERS reinterpreted Act 1975-96 to allow members to purchase non-qualifying part-time service. An active member may purchase any or all previously rendered non-qualifying part-time service.	Policy Statement: Purchase of Previous Non-qualifying School Service January 12, 1999

<p>April 21, 1999 through December 21, 2004</p>	<p>Because of a challenge to the non-qualifying part-time service policy, PSERS limited the processing of non-qualifying part-time service applications to members who needed the service to qualify for a benefit threshold (e.g., 30 & out window, disability).</p>	<p>Business Rule: POS Non-Qualifying Service Interim Agreement/PSBA and PSERS April 11, 2001</p>
<p>December 21, 2004 through November 22, 2010</p>	<p>The Supreme Court of Pennsylvania upheld PSERS Policy. PSERS moved forward with processing all non-qualifying part-time service purchase applications.</p>	<p>Supreme Court Decision December 21, 2004</p>
<p>November 23, 2010 forward</p>	<p>Beginning on November 23, 2010, members no longer need to re-qualify each fiscal year. Once initial qualification is met as stated in Act 1975-96, the member remains qualified until PSERS membership is severed. Once membership is severed, the former member must re-qualify under the rules of Act 1975-96.</p> <p>Act 2010-120 eliminated the ability for members to purchase non-qualifying part-time service. Members have, however, a one-time window of opportunity to apply to purchase any previously rendered non-qualifying part-time service, subject to the following conditions:</p> <ul style="list-style-type: none"> • Members who were active on July 1, 2011, have until July 1, 2014 to apply to purchase non-qualifying part-time service • Any Class T-C or Class T-D member who was not active on July 1, 2011 and all Class T-E or Class T-F members have 1 year from PSERS notification to apply to purchase non-qualifying part-time service <p><i>Note: If the member has a break in membership subsequent to the expiration of the appropriate window period, the member will not have another opportunity to purchase non-qualifying part-time service.</i></p>	<p>Act 2010 – 120</p>

The qualification rules as defined in the above table are based upon PSERS' interpretation of the legislative acts identified. Staff must refer to the business rules associated to membership, qualification, and break in membership to ensure adherence to PSERS policies and procedures.

¹Part-time hourly and Part-time per diem employees who are reported in both hours and days in a single fiscal year can meet the minimum service eligibility requirements by rendering a combination of hours and days where the service credit calculation is equal to .44.