[J-22-2026]
IN THE SUPREME COURT OF PENNSYLVANIA
WESTERN DISTRICT

TODD, C.J., DONOHUE, DOUGHERTY, WECHT, MUNDY, BROBSON, McCAFFERY, JJ.

JEANINE ESCH,	:	No. 13 WAP 2025
	:	
Appellant	:	Appeal from the Order of the Commonwealth Court entered November 22, 2024, at No. 1319 CD 2023, affirming the Order of the Public School Retirement Board entered October 25, 2023, at No. 2020-09.
v.	:	
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT BOARD,	:	
	:	ARGUED: April 14, 2026
Appellee	:	

OPINION

JUSTICE WECHT **DECIDED: AUGUST 18, 2026**

Members of the Public School Employees' Retirement System ("PSERS") who worked in public schools outside of Pennsylvania before joining PSERS may be eligible to purchase "service credit" within PSERS for their prior out-of-state service. Subsection 8304(a) of the Public School Employees' Retirement Code[1] instructs that such service credit can be purchased only by PSERS members who are not already: (1) "receiving," (2) "entitled to receive," or (3) "eligible to receive now or in the future" retirement benefits from the other state's pension system. Applying Subsection 8304(a), the Commonwealth Court below concluded that Appellant Jeanine Esch cannot purchase PSERS service credit for her prior Arizona teaching service given that she *previously received* a lump-sum retirement benefit from the Arizona State Retirement System in 2007. We reverse.

---

1 24 Pa.C.S. §§ 8101-8547.

Jeanine Esch worked as a public-school teacher in Arizona from 1986 to 2001. During that period, Esch made contributions to the Arizona State Retirement System ("ASRS"), and her employer also contributed to that system on her behalf. Esch ultimately accumulated twelve years and five months of credited service with ASRS before leaving her job and moving to Pennsylvania. After moving, Esch began working as a teacher for the Pine-Richland School District and the Allegheny Intermediate Unit. She has been a member of Pennsylvania's Public School Employees' Retirement System ("PSERS") since 2001.

In 2007, Esch withdrew all of the money in her ASRS retirement account—which included both her own contributions and her employer's contributions—and rolled the total balance over into a private 403(b) retirement account.[2] As a result, Esch terminated her

---

[2] With this transaction, Esch effectively converted her defined-benefit retirement plan into a defined-contribution retirement plan. *Compare Employee-Benefit Plan*, BLACK'S LAW DICTIONARY (12th ed. 2024) (explaining that a defined-benefit retirement plan "provide[s] systematically for the payment of definitely determinable benefits to employees over a period of years, [usually] for life, after retirement; Retirement benefits under a defined-benefit plan generally are based on a formula that includes such factors as years of service and compensation. If the trust funding the plan lacks sufficient assets to pay the promised benefits, ERISA requires the employer to cover the shortfall."), *with id.* (explaining that a defined-contribution retirement plan is "an employee retirement plan in which each participant has a separate account—funded by the employee's contributions and the employer's contributions ([usually] in a preset amount)—and each participant's benefits are based solely on what has accumulated in the participant's account").

Not all states allow vested pension-system members to withdraw their total combined employer/employee contributions in exchange for disclaiming all future benefits. *See*, *e.g.*, 24 Pa.C.S. § 8341 (allowing PSERS members who are no longer in active service to withdraw all previous personal contributions made to PSERS—but not any employer contributions—"in lieu of all benefits payable from the system"). Even in the states that do permit lump-sum withdrawals of combined employer/employee contributions, such withdrawals are often restricted to certain specified members of the pension system. *See* A.R.S. § 38-740(A) (limiting withdrawals like Esch's to members with at least ten years of credited service who first joined ASRS prior to July 1, 2011).

membership in ASRS and gave up the right to receive any future retirement benefits from that system.

After leaving ASRS, Esch requested PSERS' permission to purchase twelve years of PSERS service credit for her Arizona service.[3] PSERS rejected Esch's request, stating:

> Under the Retirement Code, you must withdraw your contributions and interest from the out-of-state retirement system without receiving any benefit based on the service you have withdrawn. According to the information provided by the [ASRS], you received a portion of employer contributions as part of your withdrawal, which is considered a benefit and renders you ineligible to purchase service at PSERS.[4]

Esch appealed PSERS' denial to the PSERS Executive Staff Review Committee, which upheld the initial determination that Esch is ineligible to purchase PSERS service credit. The Committee specifically invoked Subsection 8304(a) of the Code, which provides that an active PSERS member:

> shall be eligible to receive . . . service credit for creditable nonschool service . . . *provided that he is not entitled to receive, eligible to receive now or in the future, or is receiving retirement benefits for such service* under a retirement system administered and wholly or partially paid for by any other governmental agency or by any private employer, or a retirement program approved by the employer in accordance with section 8301(a)(1) (relating to mandatory and optional membership), and further provided that such service is certified by the previous employer and the manner of payment of

---

3 The Retirement Code allows active PSERS members to purchase additional years of credited service under certain circumstances, such as when the member has prior military or out-of-state teaching service. To purchase PSERS service credit, members must apply to PSERS and pay any contributions that would have been due to PSERS had the out-of-state service been rendered within the Commonwealth of Pennsylvania. Purchased service will then count towards the PSERS member's total years of service for pension eligibility and retirement-benefit calculation purposes. *See generally Purchasing Service Credit*, PA GOV, https://www.pa.gov/agencies/psers/member-resources/active-members/purchasing-service-credit (last visited July 10, 2026).

4 PSERS Denial Letter, 9/11/2018, at 1 (Reproduced Record ("R.R.") at 10a).

> the amount due is agreed upon by the member, the employer, and the board.[5]

Citing Subsection 8304(a), the Committee opined in its letter to Esch: "When you withdrew funds from ASRS, this represented the lifetime benefit that you were entitled to receive for your public school service rendered in Arizona. You are, therefore, considered a retiree under the Arizona system and thus ineligible to purchase credit for that service with PSERS."[6]

Esch appealed the Committee's decision to the Public School Employees' Retirement Board. Esch argued before the Board that Subsection 8304(a) does not preclude her from purchasing PSERS service credit given that she withdrew her combined contributions from the Arizona pension system in 2007 and is no longer "eligible to receive" ASRS retirement benefits either "now or in the future." A Hearing Examiner assigned to Esch's case recommended that the Board deny Esch's appeal, reasoning as follows:

> [Esch] argues that because she rolled over her ASRS account in 2007, she is not "eligible to receive now or in the future, or is receiving retirement benefits for such service" as contemplated in 24 Pa.C.S. § 8304. In other words, [Esch] is making a temporal argument regarding the word "now" in 24 Pa.C.S. § 8304. She appears to suggest that because she withdrew her employer contributions in 2007, she is not "now," as of the time of her application to purchase out-of-state state service credit, eligible to receive an employer benefit.
>
> * * * *
>
> Such an interpretation of the Code is not only illogical but, if adopted, would create a moral hazard to sidestep the statutory guardrails in place by incentivizing those seeking credit to drain their out-of-state retirement accounts of employer contributions before submitting an application to PSERS to purchase out-of-state credit. Such an interpretation would surely

---

[5] 24 Pa.C.S. § 8304(a) (emphasis added).

[6] Executive Staff Review Committee Denial Letter, 9/3/2020, at 1 (R.R. at 47a).

open the door to individuals double-dipping and receiving out-of-state credit in ways the General Assembly did not intend.[7]

The Board subsequently adopted the Hearing Examiner's recommendation and denied Esch's appeal.[8] The Commonwealth Court then affirmed the Board.[9] Consistent with her arguments in the administrative arena, Esch urged the intermediate court to hold that she is entitled to purchase service credit under Subsection 8304(a) considering that she is not: (1) "receiving" ASRS retirement benefits; (2) "entitled to receive" ASRS retirement benefits; or (3) "eligible to receive" ASRS retirement benefits "now or in the future."[10] Instead, Esch *received* ASRS retirement benefits in 2007, which Esch argued does not disqualify her from purchasing service credit under the plain language of Subsection 8304(a).

Although the Commonwealth Court began its analysis by quoting the text of Subsection 8304(a), the panel quickly shifted its focus from the statutory text to the appellate precedent interpreting that statutory text. The panel specifically invoked *Morris v. Public School Employes' Retirement System*,[11] which the court called "instructive."[12] *Morris* involved a teacher who sought to purchase PSERS credit for his prior military service. The Board in *Morris* concluded that the teacher's request was barred by Subsection 8304(a) given that the teacher's prior military service made him eligible for future retirement benefits from the federal government—benefits for which he had simply

[7] Hearing Examiner's Opinion, 1/24/2023, at 12 (emphasis and footnote omitted) (R.R. at 482a-83a).

[8] PSERB Opinion, 10/25/2023, at 2 (R.R. 467a).

[9] *Esch v. Pub. Sch. Emps.' Ret. Board*, 328 A.3d 599 (Pa. Cmwlth. 2024).

[10] 24 Pa.C.S. § 8304(a).

[11] 538 A.2d 1385 (Pa. Cmwlth. 1988).

[12] *Esch*, 328 A.3d at 604.

not yet applied.[13] In affirming the Board's decision that the teacher was ineligible to purchase service credit under the Retirement Code, the *Morris* court ventured that the "obvious intention" behind Subsection 8304(a) was to "prevent individuals from receiving credit in two retirement systems for the same service."[14]

Citing *Morris*' pronouncement of the "obvious intention" behind Subsection 8304(a), the panel below proceeded from the premise that Subsection 8304(a) prevents all possible forms of double dipping by PSERS members attempting to purchase service credit.[15] Because Esch previously received a benefit for her Arizona service when she withdrew her combined employer/employee contributions from ASRS, the Commonwealth Court opined that allowing Esch to purchase PSERS credit for the years she worked in Arizona would conflict with the "obvious intention" (per *Morris*) of Subsection 8304(a). The court also suggested that, despite no longer being a member of ASRS, Esch is still "receiving" an Arizona retirement benefit for purposes of Subsection 8304(a), since "she currently maintains custody over her withdrawn funds in a 403(b) retirement account and receives a benefit through custody and use of the funds."[16]

> [A]fter working for approximately 12 years in the Arizona public school system, [Esch] withdrew the entirety of her contributions and interest from ASRS, both those paid by herself and by her Employer, and rolled those funds into a 403(b) retirement account. Therefore, [Esch] has already received the full value of her retirement benefit for her 12 years of out-of-state service, and she continues to receive the benefit of those funds to

---

13 *Morris*, 538 A.2d at 1388-89 ("Petitioner is clearly currently eligible to receive a federal civil service pension. All he need do is apply.").

14 *Id.* at 1388 (quoting *Barcus v. State Employes' Ret. Bd.*, 463 A.2d 490, 491 (Pa. Cmwlth. 1983)).

15 *See Esch*, 328 A.3d at 605 (saying that Esch's argument "disregards the 'obvious intent' of the legislature to prevent individuals from receiving credit in two retirement systems for the same service").

16 *Esch*, 328 A.3d at 605.

> spend or invest as she deems appropriate. Under the plain language of Section 8304(a), as interpreted by this Court in *Morris*, [Esch] cannot purchase credit for the same service that she rendered in Arizona with PSERS. To hold otherwise would allow [Esch] to circumvent the Code's restriction on receiving a duplicate benefit for the same period of service.[17]

Esch petitioned this Court for allowance of appeal. We then granted *allocatur* to consider whether a lump-sum withdrawal of combined employer/employee retirement contributions from an out-of-state pension system disqualifies a PSERS member from purchasing service credit under Subsection 8304(a). We now hold that the lower tribunals erred, and that Subsection 8304(a) does not bar Esch from purchasing service credit.[18]

We begin and end our analysis with the unambiguous text of Subsection 8304(a). That provision instructs that a PSERS member may purchase service credit for his prior out-of-state service "provided that he is not entitled to receive, eligible to receive now or in the future, or is receiving retirement benefits for such service under a retirement system administered and wholly or partially paid for by any other governmental agency[.]"[19] In other words, PSERS service credit cannot be purchased by members who are either:

- "Receiving" benefits from an out-of-state retirement system
- "Entitled to receive" benefits from an out-of-state retirement system; or
- "Eligible to receive" benefits "now or in the future" from an out-of-state retirement system

Given the plain language of the statute, we cannot agree with the Commonwealth Court that Esch is barred from purchasing service credit simply because she "already

---

[17] *Esch*, 328 A.3d at 604 (emphasis omitted).

[18] The proper interpretation of a statute is a purely legal question. This court therefore reviews issues of statutory interpretation *de novo*. *Berner v. Montour Twp. Zoning Hearing Bd.*, 217 A.3d 238, 245 (Pa. 2019).

[19] 24 Pa.C.S. § 8304(a).

received"[20] (past tense) "the benefit of her Arizona Employer's government-funded contributions."[21] The statutory text does not disqualify members from purchasing service credit just because they "already received" an out-of-state retirement benefit. Purchases of service credit are prohibited under Subsection 8304(a) only if the PSERS member is receiving out-of-state retirement benefits, is eligible to receive out-of-state retirement benefits, or will become eligible to receive out-of-state retirement benefits in the future.

We are not persuaded by either of the theories that the Commonwealth Court offered for denying Esch the right to purchase service credit. The court first reasoned that Esch "cannot purchase credit for the same service that she rendered in Arizona" because doing so would "circumvent the Code's restriction on receiving a duplicate benefit for the same period of service."[22] This supposed "restriction" appears nowhere in the text of the Retirement Code. Subsection 8304(a) only prevents members from purchasing service credit if they are "receiving," "entitled to receive," or "eligible to receive now or in the future" retirement benefits from the out-of-state retirement system. The (broader) idea that PSERS members should be blocked from receiving any "duplicate benefit for the same period of service" comes not from the Retirement Code, but rather from *Morris*, a decision in which the Commonwealth Court theorized that the "obvious

---

[20] *Esch*, 328 A.3d at 604 ("[Esch] has **already received** the full value of her retirement benefit for her 12 years of out-of-state service, and she continues to receive the benefit of those funds to spend or invest as she deems appropriate." (emphasis in original)); *id.* at 605 ("[Esch] has already received the benefit of her Arizona Employer's government-funded contributions."); *id.* at 602 ("PSERS here correctly takes the position that [Esch] indeed received a government-funded retirement benefit relating to her out-of-state service."); *id.* at 605 ("[Esch] has received the funds and continues to receive the benefits of her investment.").

[21] *Id.* at 605.

[22] *Id.*

intention" behind Subsection 8304(a) was to "prevent individuals from receiving credit in two retirement systems for the same service."[23]

Our judicial duty here is to apply the unambiguous language of Subsection 8304(a), not to enforce the "intent" behind the provision as hypothesized by *Morris*.[24] If, as the *Morris* Court suggested, the General Assembly's goal when enacting Subsection 8304(a) was to prevent all PSERS members from receiving credit in two pension systems for the same term of service, then the legislature failed to accomplish its goal when it put pen to paper. Because Subsection 8304(a) turns on whether the credit-seeking member is "receiving" out-of-state retirement benefits (or is "eligible to receive" such benefits "now or in the future"), the provision does not foreclose all possible avenues for receiving double credit. Under Subsection 8304(a), PSERS members like Esch can still receive credit in two retirement systems for the same term of service so long as they: (1) realize the out-of-state benefit *before* attempting to purchase PSERS service credit; and (2) do not retain any residual entitlement to current or future benefits from the out-of-state pension system.

We admit that this seems like somewhat of a loophole. One might question why the General Assembly would permit a small number of PSERS members to receive credit in two pension systems for a single term of service while banning other members from doing so. While we cannot be certain why the General Assembly omitted the word "received" from Subsection 8304(a), it is possible that the law's drafters were simply

---

[23] *Morris*, 538 A.2d at 1388 ("[The Retirement Code] merely disqualifies those individuals who currently are eligible for benefits in an out-of-state retirement system, whether those benefits are currently being received or will be paid in the future. This interpretation is consistent with the obvious intention of the General Assembly to prevent individuals from receiving credit in two retirement systems for the same service.") (quoting *Barcus*, 463 A.2d at 491)).

[24] 1 Pa.C.S. § 1921(b) ("When the words of a statute are clear and free from all ambiguity, the letter of it is not to be disregarded under the pretext of pursuing its spirit.").

unaware that certain states (like Arizona) allow some members of their pension system to withdraw all combined employer/employee contributions in exchange for giving up their right to a future annuity. A defined-benefit retirement plan cannot so easily be converted into a defined-contribution retirement plan in most states, including in Pennsylvania, where PSERS members who leave the pension system before retirement can withdraw only their personal contributions and any accrued interest.[25] The General Assembly therefore might have assumed that it could prohibit all double dipping just by limiting the purchase of PSERS service credit to those members not "receiving, entitled to receive, or eligible to receive" out-of-state retirement benefits either "now or in the future." But that assumption is not correct because not all states operate like Pennsylvania. Arizona, for example, let Esch liquidate her retirement account and terminate her membership in ASRS while still remaining statutorily eligible to purchase PSERS service credit—because once Esch withdrew her money and left the Arizona system she was no longer receiving, entitled to receive, or eligible to receive any additional benefits from ASRS.

In any event, the reasoning behind the legislature's curious choice is irrelevant. When the text of a statutory provision is unambiguous, as it is here, courts cannot invoke the legislation's supposed aim to negate otherwise clear statutory text. But that is exactly what the Commonwealth Court did below. The panel claimed, per *Morris*, that the legislative goal underlying Subsection 8304(a) was to prevent members from receiving credit in two retirement systems for the same term of service. And because allowing Esch to purchase credit for her Arizona service when she already received an ASRS benefit

---

[25] 24 Pa.C.S. § 8341; *see* note 2, *supra* (distinguishing defined-benefit plans from defined-contribution plans); *see also* April 14, 2026 Oral Argument in *Esch v. PSERB*, 4:37:54, *audio available at* https://www.youtube.com/watch?v=5sCH42uyYjo (counsel for PSERB arguing that Arizona's unique pension scheme puts Esch "in a class of individuals that [Section] 8304 was not designed to address"); id. at 4:43:28 ("To be candid, [Section] 8304 was written before defined contribution plans were of the prominence that they are now.").

would be inconsistent with that goal, the court concluded that Subsection 8304(a) must prevent what *Morris* said the legislature was trying to prevent.[26] This reasoning defies the Statutory Construction Act.[27]

The Commonwealth Court's alternative rationale for upholding PSERB's decision posits that Esch cannot purchase service credit because "she currently maintains custody over her withdrawn [ASRS] funds in a 403(b) retirement account and receives a benefit through custody and use of the funds."[28] The panel notably did not offer any additional elaboration on this theory, which we frankly struggle to understand. Subsection 8304(a) bars purchases of service credit by members "receiving retirement benefits for [their prior] service under a retirement system administered and wholly or partially paid for by any other governmental agency[.]"[29] The funds that Esch currently maintains in her personal 403(b) retirement account are not funds that she is "receiving" under a government pension system. It is money that she *received* under a government pension system back in 2007. Thus, we reject the Commonwealth Court's alternative reasoning.

---

[26] Esch argues that the funds she withdrew from the Arizona system were not "retirement benefits" at all under Subsection 8304(a), a term which she defines to mean benefits paid *upon retirement*. Brief for Esch at 48 ("A 'benefit' is an annuity payment made to an employee upon retirement."); *id.* at 49 ("Esch's employer-paid contributions are not 'retirement benefits.'"). Esch claims that Subsection 8304(a) has no application here because the funds she withdrew from ASRS were mere "retirement contributions" rather than "retirement benefits." Because we hold that Subsection 8304(a) does not bar purchases of service credit by members who simply *received* a prior out-of-state retirement benefit, we assume for purposes of today's appeal that the combined employer/employee contributions Esch withdrew from ASRS constitute "retirement benefits" under Subsection 8304(a).

[27] 1 Pa.C.S. § 1921(b) ("When the words of a statute are clear and free from all ambiguity, the letter of it is not to be disregarded under the pretext of pursuing its spirit.").

[28] *Esch*, 328 A.3d at 605.

[29] 24 Pa.C.S. § 8304(a).

In summary, the panel below misinterpreted Subsection 8304(a) of the Retirement Code by prioritizing the provision's supposed aim over its unambiguous language. Because Subsection 8304(a) does not forbid all PSERS members who *received* a prior out-of-state retirement benefit from purchasing service credit—and because Esch is not "receiving," "entitled to receive," or "eligible to receive" ASRS benefits "now or in the future"—Esch's request to purchase service credit should have been approved. Thus, we reverse.

Chief Justice Todd and Justices Donohue, Dougherty, Mundy, Brobson and McCaffery join the opinion.