
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 458

Session of
1975

INTRODUCED BY ENGLEHART AND RYAN, FEBRUARY 18, 1975

REFERRED TO COMMITTEE ON LABOR RELATIONS, FEBRUARY 18, 1975

AN ACT

1 Recognizing the decline in the purchasing power of the dollar by
2 providing for the granting of cost-of-living allowances to
3 Commonwealth employees.

4 Whereas, The Judicial Council of Pennsylvania on January 25,
5 1974 memorialized the General Assembly to make provision for
6 cost-of-living adjustments in the compensation of justices and
7 judges; and

8 Whereas, By reason of collective bargaining, administrative
9 action or statutory provision, large numbers of Commonwealth
10 employees have received and may be expected to continue to
11 receive regular cost-of-living adjustments from time to time;
12 and

13 Whereas, No provision of law presently exists guaranteeing to
14 all Commonwealth employees without distinction the maintenance
15 of the purchasing power of their salary, wages or other
16 compensation; therefore

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

19 Section 1. (a) All employees of the Commonwealth shall be

1 entitled to receive, as additional compensation, a cost-of-
2 living allowance as provided in this section. The amount of the
3 cost-of-living allowance shall be determined on the basis of the
4 "Consumer Price Index for Urban Wage Earners and Clerical
5 Workers (All Items) published by the Bureau of Labor Statistics,
6 U.S. Department of Labor (1957-1959 = 100)," hereinafter
7 referred to as the "Index." No adjustment, retroactive or
8 otherwise, shall be made in the amount of the cost-of-living
9 allowance due to any revision which later may be made in the
10 published figures for any month on the basis of which a cost-of-
11 living allowance has been determined.

12 (b) For the purposes of determining the cost-of-living
13 allowance the base rate of compensation of each office or other
14 position shall be the salary or wage rate provided by law for
15 such office on January 1, 1973. Where a permanent and a
16 temporary salary or wage rate was provided by law on such date
17 the temporary rate shall be used for the purposes of this act as
18 long as it is in effect, and thereafter the permanent rate shall
19 be used for the purposes of this act. Where an office or other
20 position was created or established subsequent to January 1,
21 1973 it shall be deemed for the purposes of this act to have the
22 base rate of the most nearly comparable office or position
23 existing on January 1, 1973. The State Treasurer shall as soon
24 as available determine and publish in the Pennsylvania Bulletin
25 the Index figure for December 1974, and annually thereafter
26 shall determine and publish as soon as available the Index
27 figure for each succeeding December. At the same time the State
28 Treasurer shall also publish the Index figure for December, 1972
29 and the ratio of the Index figure for the immediately preceding
30 December to the Index figure for December 1972, hereinafter

1 referred to as the current Index ratio. Effective with the first
2 pay period beginning more than thirty days after such
3 publication and continuing until the next annual readjustment
4 under this act each Commonwealth employee shall receive with
5 respect to each element of salary or other compensation payable
6 to such employee a cost-of-living allowance equal to (i) the
7 product of the base rate for such office or position times the
8 current Index ratio, less (ii) the base rate for such office or
9 position. Where an office or position is included in a formal
10 system of job classifications and pay ranges, the cost-of-living
11 allowance shall be added to the base rate for the position and
12 the pay rate of the employee shall be rounded up or down to the
13 nearest established pay range and step.

14 (c) As used in this act, the term Commonwealth employee
15 included all employees, elected and appointed officers and other
16 persons who receive direct compensation from the Commonwealth
17 for services rendered.

18 Section 2. All general increases in salaries, wages and
19 other compensation (excluding benefits) granted on or after
20 January 1, 1973 to Commonwealth employees pursuant to collective
21 bargaining, administrative action or statutory provision other
22 than section 1 of this act, shall to the extent received be
23 credited against cost-of-living allowances payable to
24 Commonwealth employees under section 1 of this act, it being the
25 intention of this act to supplement but not to duplicate any
26 such general increases.

27 Section 3. The cost-of-living allowances payable under this
28 act are hereby found and determined to be adjustments in
29 compensation rates necessary to maintain previously established
30 compensation levels unchanged in terms of real purchasing power

1 or constant value dollars and shall not be deemed to constitute
2 an increase in salary or other compensation under any provision
3 of the Constitution of Pennsylvania.

4 Section 4. This act shall take effect immediately.