
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2505 Session of
1982

INTRODUCED BY BURNS AND GALLAGHER, MAY 25, 1982

REFERRED TO COMMITTEE ON STATE GOVERNMENT, MAY 25, 1982

AN ACT

1 Amending Title 71 (State Government) of the Pennsylvania
2 Consolidated Statutes, providing for a plan of deferred
3 compensation and providing further duties for the State
4 Employees' Retirement Board.

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

7 Section 1. Title 71, act of November 25, 1970 (P.L.707,
8 No.230), known as the Pennsylvania Consolidated Statutes, is
9 amended by adding a chapter to read:

10 CHAPTER 61

11 DEFERRED COMPENSATION PLAN

12 Sec.

13 6101. Deferred compensation plan.

14 6102. Terms of plan.

15 6103. Limit on amount deferred.

16 6104. Plan in addition to any other retirement program.

17 6105. Income deferred.

18 6106. Promulgation of plan and regulations.

1 § 6101. Deferred compensation plan.

2 (a) General rule.--The board shall devise a plan of deferred
3 compensation for all active members of the system. This plan
4 shall be devised so as to meet the requirements of, and be
5 approved by, the Internal Revenue Service in order to achieve
6 favorable tax treatment for deferred compensation funds.

7 (b) Options.--The plan shall contain a reasonable number of
8 options to the employee for the investment of deferred funds
9 including, but not limited to, life insurance, annuities,
10 variable annuities, regulated investment trusts, pooled
11 investment funds managed by the board or other forms of
12 investment approved by the board, always in such form as will
13 assure favorable tax treatment of the funds.

14 § 6102. Terms of plan.

15 The board shall undertake to obtain as favorable conditions
16 of tax treatment as possible, both in the initial programs and
17 any permitted alterations thereof or additions thereto, as to
18 such matters as terms of distribution, designation of
19 beneficiaries, withdrawal upon disability, financial hardship,
20 termination of public employment and other optional provisions.

21 § 6103. Limit on amount deferred.

22 In no event shall the total of the amount of deferred
23 compensation to be set aside under the deferred compensation
24 program and the member's nondeferred income for any year exceed
25 the total annual salary or compensation under the existing
26 salary schedule or classification plan applicable to the
27 employee in that year.

28 § 6104. Plan in addition to any other retirement program.

29 The plan shall be in addition to any other retirement program
30 offered to members.

1 § 6105. Income deferred.

2 Any income deferred under the plan shall continue to be
3 included as regular compensation for the purpose of computing
4 the contributions to and benefits from the system. Any sum so
5 deferred shall not be included in the computation of any Federal
6 and State income taxes withheld on behalf of any such employee.

7 § 6106. Promulgation of plan and regulations.

8 The plan and rules and regulations promulgated thereunder
9 shall be adopted pursuant to Title 2 (relating to administrative
10 law and procedure).

11 Section 2. This act shall take effect immediately and the
12 plan of deferred compensation shall commence January 1 next
13 following six months from the date of final enactment.