

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2128 Session of  
2001

INTRODUCED BY COY, ARMSTRONG, BARD, BEBKO-JONES, BELARDI, BUNT,  
BUXTON, CALTAGIRONE, CAWLEY, CORRIGAN, COSTA, CREIGHTON,  
CURRY, DALEY, DeWEESE, EACHUS, FAIRCHILD, FICHTER, GEIST,  
GEORGE, GRUITZA, HALUSKA, HERMAN, HESS, HORSEY, HUTCHINSON,  
KREBS, LAUGHLIN, LEH, LESCOVITZ, MAHER, MANN, MARKOSEK,  
MARSICO, McCALL, McILHATTAN, McNAUGHTON, MELIO, MUNDY,  
NICKOL, PETRONE, PIPPY, ROBERTS, ROONEY, SANTONI, SOLOBAY,  
STABACK, STERN, T. STEVENSON, SURRA, E. Z. TAYLOR, TIGUE,  
TRAVAGLIO, WALKO, WOJNAROSKI, G. WRIGHT, YUDICHAK, RUFFING,  
CAPPELLI, BELFANTI AND LUCYK, NOVEMBER 13, 2001

REFERRED TO COMMITTEE ON STATE GOVERNMENT, NOVEMBER 13, 2001

AN ACT

1 Amending Title 71 (State Government) of the Pennsylvania  
2 Consolidated Statutes, providing for cost-of-living increases  
3 for retirees.

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

6 Section 1. Title 71 of the Pennsylvania Consolidated  
7 Statutes is amended by adding a section to read:

8 § 5708.6. Supplemental annuities commencing 2002.

9 (a) Benefits.--Commencing with the first monthly annuity  
10 payment after July 1, 2002, any eligible benefit recipient shall  
11 be entitled to receive a further additional monthly supplemental  
12 annuity from the system. This shall be in addition to the  
13 supplemental annuities provided for in sections 5708 (relating  
14 to supplemental annuities), 5708.1 (relating to additional

1 supplemental annuities), 5708.2 (relating to further additional  
2 supplemental annuities), 5708.3 (relating to supplemental  
3 annuities commencing 1994), 5708.4 (relating to special  
4 supplemental postretirement adjustment) and 5708.5 (relating to  
5 supplemental annuities commencing 1998).

6 (b) Amount of supplemental annuity.--The amount of the  
7 supplemental annuity payable pursuant to this section shall be  
8 the greater of:

9 (1) 25% of the gross monthly annuity in effect on June  
10 30, 2001; or

11 (2) the amount calculated by the board to restore the  
12 purchasing power of annuitants' monthly annuities to equal  
13 the purchasing power of the monthly annuities that the  
14 retirees earned and began receiving at the time of  
15 retirement.

16 (c) Payment.--The supplemental annuity provided under this  
17 section shall be paid automatically unless the annuitant files a  
18 written notice with the board requesting that the additional  
19 monthly supplemental annuity not be paid.

20 (d) Conditions.--The supplemental annuity provided under  
21 this section shall be payable under the same terms and  
22 conditions as provided under the option plan in effect as of  
23 January 1, 2002.

24 (e) Benefits to beneficiaries or survivors.--No supplemental  
25 annuity provided under this section shall be payable to the  
26 beneficiary or survivor annuitant of a member who dies before  
27 July 2, 2002.

28 (f) Funding.--Notwithstanding section 5508(e) (relating to  
29 actuarial cost method), the annuity reserve account shall be  
30 credited and the State accumulation account shall be debited the

1 amount determined by the actuary as necessary to fully fund the  
2 additional liability for the increase in benefits prescribed in  
3 this section.

4 (g) Eligible benefit recipient.--As used in this section,  
5 the term "eligible benefit recipient" means a person who is  
6 receiving a superannuation, withdrawal or disability annuity on  
7 January 1, 2002, and whose most recent effective date of  
8 retirement is prior to July 2, 2001.

9 Section 2. This act shall take effect immediately.