

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1991 Session of
2007

INTRODUCED BY READSHAW, BELFANTI, BRENNAN, COSTA, DALLY,
FABRIZIO, GEORGE, GOODMAN, GRUCELA, HANNA, HARHAI, HARKINS,
KOTIK, KULA, LEACH, LENTZ, LONGIETTI, MARKOSEK, MARSICO,
McCALL, M. O'BRIEN, PETRARCA, PETRONE, RAMALEY, SAINATO,
K. SMITH, SOLOBAY, THOMAS AND YOUNGBLOOD, OCTOBER 30, 2007

REFERRED TO COMMITTEE ON FINANCE, OCTOBER 30, 2007

AN ACT

1 Amending Titles 24 (Education) and 71 (State Government) of the
2 Pennsylvania Consolidated Statutes, providing for permanent
3 biannual cost-of-living increases for retirees.

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

6 Section 1. Title 24 of the Pennsylvania Consolidated
7 Statutes is amended by adding a section to read:

8 § 8348.8. Biannual cost-of-living increases commencing 2009.

9 (a) Benefits.--Commencing with the first monthly annuity
10 payment after July 1, 2009, any eligible benefit recipient shall
11 be entitled to receive biannual cost-of-living increases in his
12 or her monthly annuity payment. Each biannual increase shall
13 have an effective date of July 1 or December 1. The increases
14 shall be in addition to the supplemental annuities provided for
15 in sections 8348 (relating to supplemental annuities), 8348.1
16 (relating to additional supplemental annuities), 8348.2
17 (relating to further additional supplemental annuities), 8348.3

1 (relating to supplemental annuities commencing 1994), 8348.4
2 (relating to special supplemental postretirement adjustment),
3 8348.5 (relating to supplemental annuities commencing 1998),
4 8348.6 (relating to supplemental annuities commencing 2002) and
5 8348.7 (relating to supplemental annuities commencing 2003).

6 (b) Amount of cost-of-living increases.--The amount of a
7 cost-of-living increase payable pursuant to this section shall
8 be an amount equal to the increase in the Consumer Price Index
9 for Urban Wage Earners for the immediately preceding six-month
10 period.

11 (c) Payment.--The cost-of-living increases provided under
12 this section shall be paid automatically as an additional
13 monthly supplemental annuity unless the annuitant files a
14 written notice with the board requesting that the additional
15 monthly supplemental annuity not be paid.

16 (d) Conditions.--A supplemental annuity provided under this
17 section shall be payable under the same terms and conditions as
18 provided under the option plan in effect as of July 1, 2009.

19 (e) Benefits to beneficiaries or survivors.--No cost-of-
20 living increase provided under this section shall be payable to
21 the beneficiary or survivor annuitant of a member who dies
22 before July 1, 2009.

23 (f) Funding.--

24 (1) Notwithstanding section 8328 (relating to actuarial
25 cost method), the additional liability for the increase in
26 benefits provided in this section shall be funded in annual
27 installments increasing by 5% each year over a period of 20
28 years beginning July 1, 2009.

29 (2) Notwithstanding the provisions of the act of July 4,
30 2004 (P.L.1837, No.7A), known as the General Appropriation

1 Act of 2004, regarding payment for cost-of-living increases
2 for annuitants, payments for cost-of-living increases for
3 annuitants shall be made under section 8535 (relating to
4 payments to school entities by Commonwealth).

5 (g) Eligible benefit recipient.--As used in this section,
6 the term "eligible benefit recipient" means a person who is
7 receiving a superannuation, withdrawal or disability annuity on
8 July 1, 2009, and whose most recent effective date of retirement
9 is prior to July 1, 2008, but the supplemental annuities
10 provided under this section shall not be payable to an annuitant
11 receiving a withdrawal annuity prior to the first day of July
12 coincident with or following the annuitant's attainment of
13 superannuation age.

14 Section 2. Title 71 is amended by adding a section to read:

15 § 5708.9. Biannual cost-of-living increases commencing 2009.

16 (a) Benefits.--Commencing with the first monthly annuity
17 payment after June 30, 2009, any eligible benefit recipient
18 shall be entitled to receive biannual cost-of-living increases
19 in his or her monthly annuity. This shall be in addition to the
20 supplemental annuities provided for in sections 5708 (relating
21 to supplemental annuities), 5708.1 (relating to additional
22 supplemental annuities), 5708.2 (relating to further additional
23 supplemental annuities), 5708.3 (relating to supplemental
24 annuities commencing 1994), 5708.5 (relating to supplemental
25 annuities commencing 1998) 5708.6 (relating to supplemental
26 annuities commencing 2002), 5708.7 (relating to supplemental
27 annuities commencing 2003) and the special supplemental
28 postretirement adjustments provided for in sections 5708.4
29 (relating to special supplemental postretirement adjustment) and
30 5708.8 (relating to special supplemental postretirement

1 adjustment of 2002).

2 (b) Amount of cost-of-living increases.--The amount of a
3 cost-of-living increase payable pursuant to this section shall
4 be an amount equal to the increase in the Consumer Price Index
5 for Urban Wage Earners for the immediately preceding six-month
6 period.

7 (c) Payment.--The cost-of-living increases provided under
8 this section shall be paid automatically as an additional
9 monthly supplemental annuity unless the annuitant files a
10 written notice with the board requesting that the additional
11 monthly supplemental annuity not be paid.

12 (d) Conditions.--A supplemental annuity provided under this
13 section shall be payable under the same terms and conditions as
14 provided under the option plan in effect as of July 1, 2009.

15 (e) Benefits to beneficiaries or survivors.--No supplemental
16 annuity provided under this section shall be payable to the
17 beneficiary or survivor annuitant of a member who dies before
18 July 1, 2009.

19 (f) Funding.--Notwithstanding section 5508(e) (relating to
20 actuarial cost method), the additional liability for the
21 increase in benefits provided in this section shall be funded in
22 annual installments increasing by 5% each year over a period of
23 20 years beginning July 1, 2009.

24 (g) Eligible benefit recipient.--As used in this section,
25 the term "eligible benefit recipient" means a person who is
26 receiving a superannuation, withdrawal or disability annuity on
27 July 1, 2009, and whose most recent effective date of retirement
28 is prior to July 1, 2008, but the supplemental annuities
29 provided under this section shall not be payable to an annuitant
30 receiving a withdrawal annuity prior to the first day of July

- 1 coincident with or following the annuitant's attainment of
- 2 superannuation age.
- 3 Section 3. This act shall take effect immediately.