

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2150 Session of
2008

INTRODUCED BY DALEY, BELFANTI, BEYER, BIANCUCCI, BRENNAN, CAPPELLI, CARROLL, CASORIO, CAUSER, CONKLIN, CREIGHTON, DePASQUALE, J. EVANS, FREEMAN, GEORGE, GIBBONS, GRUCELA, HALUSKA, HANNA, HARHAI, HARHART, HARKINS, HESS, HORNAMAN, JAMES, KING, KOTIK, KULA, LEACH, LENTZ, LONGIETTI, MAHONEY, MAJOR, MANDERINO, MANN, MARSHALL, McGEEHAN, McILVAINE SMITH, MELIO, MILNE, MOUL, MUNDY, MURT, MYERS, M. O'BRIEN, PALLONE, PASHINSKI, PETRONE, PRESTON, PYLE, READSHAW, ROCK, SAINATO, SCAVELLO, SCHRODER, SHIMKUS, SIPTROTH, K. SMITH, SOLOBAY, STABACK, SURRA, SWANGER, R. TAYLOR, THOMAS, WAGNER, WANSACZ, J. WHITE, WOJNAROSKI AND YUDICHAK, MARCH 12, 2008

REFERRED TO COMMITTEE ON EDUCATION, MARCH 12, 2008

AN ACT

1 Amending Titles 24 (Education) and 71 (State Government) of the
2 Pennsylvania Consolidated Statutes, in retirement, providing
3 for supplemental annuities in Fiscal Year 2008-2009 and for
4 permanent cost-of-living increases in return for additional
5 contributions.

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

8 Section 1. Title 24 of the Pennsylvania Consolidated
9 Statutes is amended by adding sections to read:

10 § 8322.2. Cost-of-living contributions.

11 (a) Election.--An active member may elect to contribute an
12 additional 1% of annual salary in order to qualify for an
13 annuity under section 8348.9 (relating to qualified supplemental
14 annuities).

15 (b) Effect.--An election under this section is irrevocable.

1 § 8348.8. Supplemental annuities commencing 2008.

2 (a) Benefits.--Commencing with the first monthly annuity
3 payment after July 1, 2008, any eligible benefit recipient shall
4 be entitled to receive an additional monthly supplemental
5 annuity from the system. This shall be in addition to the
6 supplemental annuities provided for in this subchapter.

7 (b) Amount of supplemental annuity.--The amount of the
8 supplemental annuity payable pursuant to this section shall be
9 5% of the amount of the monthly annuity payment on July 1, 2008.

10 (c) Payment.--The supplemental annuity provided under this
11 section shall be paid automatically unless the annuitant files a
12 written notice with the board requesting that the additional
13 monthly supplemental annuity not be paid.

14 (d) Conditions.--The supplemental annuity provided under
15 this section shall be payable under the same terms and
16 conditions as provided under the option plan in effect as of
17 July 1, 2008.

18 (e) Benefits to beneficiaries or survivors.--No supplemental
19 annuity provided under this section shall be payable to the
20 beneficiary or survivor annuitant of a member who dies before
21 July 1, 2008.

22 (f) Funding.--The additional liability for the increase in
23 benefits provided in this section shall be funded in equal
24 dollar annual installments over a period of ten years beginning
25 July 1, 2009.

26 (g) Eligible benefit recipient.--As used in this section,
27 the term "eligible benefit recipient" means a person:

28 (1) who is receiving a superannuation, withdrawal or
29 disability annuity on July 1, 2008;

30 (2) whose most recent effective date of retirement is

1 prior to June 27, 2007; and

2 (3) whose credited service does not include any service
3 credited as either Class T-D, Class D-4 or Class AA service.

4 Notwithstanding paragraph (1), (2) or (3), the supplemental
5 annuities provided under this section shall not be payable to an
6 annuitant receiving a withdrawal annuity prior to the first day
7 of July coincident with or following the annuitant's attainment
8 of superannuation age.

9 § 8348.9. Qualified supplemental annuities.

10 (a) Eligibility.--An annuitant who initiates contributions
11 under section 8322.2 (relating to cost-of-living contributions)
12 is eligible for a supplemental annuity under subsection (b).

13 (b) Amount.--The supplemental annuity under this section
14 shall be the lesser of:

15 (1) the percentage increase in the Consumer Price Index
16 for All Urban Consumers; or

17 (2) 3%.

18 Section 2. Title 71 is amended by adding sections to read:

19 § 5505.2. Cost-of-living contributions.

20 (a) Election.--An active member may elect to contribute an
21 additional 1% of annual salary in order to qualify for an
22 annuity under section 5708.10 (relating to qualified
23 supplemental annuities).

24 (b) Effect.--An election under this section is irrevocable.

25 § 5708.9. Supplemental annuities commencing 2008.

26 (a) Benefits.--Commencing with the first monthly annuity
27 payment after July 1, 2008, any eligible benefit recipient shall
28 be entitled to receive an additional monthly supplemental
29 annuity from the system. This shall be in addition to the
30 supplemental annuities provided for in this subchapter.

1 (b) Amount of supplemental annuity.--The amount of the
2 supplemental annuity payable pursuant to this section shall be
3 5% of the amount of the monthly annuity payment on July 1, 2008.

4 (c) Payment.--The supplemental annuity provided under this
5 section shall be paid automatically unless the annuitant files a
6 written notice with the board requesting that the additional
7 monthly supplemental annuity not be paid.

8 (d) Conditions.--The supplemental annuity provided under
9 this section shall be payable under the same terms and
10 conditions as provided under the option plan in effect as of
11 July 1, 2008.

12 (e) Benefits to beneficiaries or survivors.--No supplemental
13 annuity provided under this section shall be payable to the
14 beneficiary or survivor annuitant of a member who dies before
15 July 1, 2008.

16 (f) Funding.--The additional liability for the increase in
17 benefits provided in this section shall be funded in equal
18 dollar annual installments over a period of ten years beginning
19 July 1, 2009.

20 (g) Eligible benefit recipient.--As used in this section,
21 the term "eligible benefit recipient" means a person:

22 (1) who is receiving a superannuation, withdrawal or
23 disability annuity on July 1, 2008;

24 (2) whose most recent effective date of retirement is
25 prior to June 27, 2007; and

26 (3) whose credited service does not include any service
27 credited as either Class AA, Class D-4 or Class T-D service.

28 Notwithstanding paragraph (1), (2) or (3), the supplemental
29 annuities provided under this section shall not be payable to an
30 annuitant receiving a superannuation or withdrawal annuity prior

1 to the first day of July coincident with or following the
2 annuitant's attainment of superannuation age.

3 § 5708.10. Qualified supplemental annuities.

4 (a) Eligibility.--An annuitant who initiates contributions
5 under section 5505.2 (relating to cost-of-living contributions)
6 is eligible for a supplemental annuity under subsection (b).

7 (b) Amount.--The supplemental annuity under this section
8 shall be the lesser of:

9 (1) the percentage increase in the Consumer Price Index
10 for All Urban Consumers; or

11 (2) 3%.

12 Section 3. This act shall take effect in 60 days.