

THE GENERAL ASSEMBLY OF PENNSYLVANIA

# HOUSE RESOLUTION

No. 166 Session of  
2007

INTRODUCED BY FRANKEL, BELFANTI, BUXTON, CAPPELLI, CURRY,  
DePASQUALE, FABRIZIO, FAIRCHILD, FREEMAN, GEORGE, GIBBONS,  
GOODMAN, HARHAI, HESS, HUTCHINSON, JAMES, KENNEY, KIRKLAND,  
KORTZ, KOTIK, KULA, LEACH, LEVDANSKY, MANN, MARKOSEK,  
MARSHALL, McILHATTAN, MENSCH, MICOZZIE, M. O'BRIEN, O'NEILL,  
PALLONE, PETRARCA, PETRONE, READSHAW, RUBLEY, SABATINA,  
SCAVELLO, SCHRODER, SIPTROTH, STERN, SURRA, VULAKOVICH,  
WALKO, J. WHITE, YOUNGBLOOD, YUDICHAK, SAINATO AND THOMAS,  
MARCH 29, 2007

REFERRED TO COMMITTEE ON FINANCE, MARCH 29, 2007

## A RESOLUTION

1 Directing the Public School Employee's Retirement System (PSERS)  
2 to conduct a study of public school retirees' loss of  
3 purchasing power and to evaluate the economic impact of  
4 retirement benefits paid by PSERS on the Commonwealth of  
5 Pennsylvania.

6 WHEREAS, There are nearly 140,000 retired teachers,  
7 administrators and support professionals who provided tremendous  
8 service to the Commonwealth and its residents during the years  
9 in which they were actively employed in the public schools of  
10 Pennsylvania; and

11 WHEREAS, PSERS issued a report in August 1997 entitled "A  
12 Report on Benefits Increases, Cost of Living Adjustments, and  
13 Purchasing Power of Annuitants"; and

14 WHEREAS, Public school retirees have not received a cost-of-  
15 living adjustment since the passage of the act of April 23, 2002  
16 (P.L.272, No.38), entitled "An act amending Titles 24

1 (Education) and 71 (State Government) of the Pennsylvania  
2 Consolidated Statutes, further providing for creditable  
3 nonschool service, for election to become a Class T-D member,  
4 for actuarial cost method and for termination of annuities;  
5 providing for supplemental annuities commencing 2002 and 2003;  
6 further providing for payment of benefits, for annuity reserve  
7 account and for the definitions of 'creditable nonstate  
8 service,' 'State employee,' 'State service' and 'total  
9 accumulated deductions'; providing for notice to members;  
10 further providing for mandatory and optional membership, for  
11 credited State service and for retention and reinstatement of  
12 service credits; providing for election to convert school  
13 service to State service; further providing for creditable  
14 nonstate service, for classes of service, for contributions by  
15 the Commonwealth and other employers and for actuarial cost  
16 method; providing for transfer of accumulated deductions;  
17 further providing for disability annuities; providing for  
18 supplemental annuities commencing 2002 and 2003 and for special  
19 supplemental postretirement adjustment of 2002; further  
20 providing for duties of the board to advise and report to heads  
21 of departments and members, for duties of the board to report to  
22 the Public School Employees' Retirement Board, for rights and  
23 duties of annuitants, for members' savings account, for State  
24 accumulation account and for supplemental annuity account; and  
25 making technical corrections"; and

26 WHEREAS, Public school retirees who retired in 1990, 1995 and  
27 2000 have lost 20%, 15% and 9%, respectively, of their  
28 purchasing power; and

29 WHEREAS, Many public school retirees have been forced to  
30 rejoin the work force because their purchasing power has not

1 kept pace with inflation; therefore be it

2       RESOLVED, That the House of Representatives direct PSERS to  
3 conduct a study of public school retirees' loss of purchasing  
4 power; and be it further

5       RESOLVED, That the study include an analysis of the impact of  
6 a cost-of-living adjustment on the PSERS pension fund; and be it  
7 further

8       RESOLVED, That the study include an analysis of the economic  
9 impact of the retirement benefits paid by PSERS on the  
10 Commonwealth and its counties; and be it further

11       RESOLVED, That PSERS file a report of its findings with the  
12 Majority Leader, the Minority Leader and the chair and minority  
13 chair of the Education Committee of the House of Representatives  
14 no later than four months following the adoption of this  
15 resolution.