

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1432 Session of  
2009

INTRODUCED BY CUTLER, BOYD, CREIGHTON, DENLINGER, GINGRICH,  
HICKERNELL, MELIO, MILNE, MOUL, ROAE, SWANGER, TRUE AND  
VULAKOVICH, MAY 5, 2009

REFERRED TO COMMITTEE ON FINANCE, MAY 5, 2009

AN ACT

1 Amending Titles 24 (Education) and 71 (State Government) of the  
2 Pennsylvania Consolidated Statutes, further providing, in  
3 retirement systems, for maximum single life annuities.

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

6 Section 1. Section 8342 of Title 24 of the Pennsylvania  
7 Consolidated Statutes is amended by adding a subsection to read:  
8 § 8342. Maximum single life annuity.

9 \* \* \*

10 (b.1) Limitation on amount of annuity.--The annuity paid to  
11 a member under subsection (a) shall not exceed the highest  
12 compensation received during any period of 12 consecutive months  
13 of credited service.

14 \* \* \*

15 Section 2. Section 5702(a)(6) and (c) of Title 71 are  
16 amended to read:

17 § 5702. Maximum single life annuity.

18 (a) General rule.--Any full coverage member who is eligible

1 to receive an annuity pursuant to the provisions of section  
2 5308(a) or (b) (relating to eligibility for annuities) who  
3 terminates State service, or if a multiple service member who is  
4 a school employee who is an active member of the Public School  
5 Employees' Retirement System who terminates school service,  
6 before attaining age 70 shall be entitled to receive a maximum  
7 single life annuity attributable to his credited service and  
8 equal to the sum of the following single life annuities  
9 beginning at the effective date of retirement:

10 \* \* \*

11 (6) If eligible, a single life annuity sufficient  
12 together with the annuity provided for in paragraph (1) as a  
13 Class A and Class AA member and the highest annuity provided  
14 for in paragraph (2) to which he is entitled, or at his  
15 option could have been entitled, to produce that percentage  
16 of a standard single life annuity on the effective date of  
17 retirement as determined by his total years of credited  
18 service as a member of Class A and Class AA. [and by the  
19 following table:

Total Years of Credited Service as a Member of Class A and Class AA	Percentage of Standard Single Life Annuity
35-40	100%
41	102%
42	104%
43	106%
44	108%
45 or more	110%]

1       \* \* \*

2       (c) Limitation on amount of annuity.--The annuity paid to a  
3 member under subsection (a) [and reduced in accordance with the  
4 option elected under section 5705 (relating to member's  
5 options)] shall not exceed the highest compensation received  
6 during any period of twelve consecutive months of credited  
7 service. [No limit on the total annuity paid to a member with  
8 Class D-3 service shall be applied in the case of a member who  
9 served as a constitutional officer of the General Assembly.]

10       \* \* \*

11       Section 3. This act shall apply as follows:

12           (1) The addition of 24 Pa.C.S. § 8342(b.1) shall apply  
13 to an individual who, on or after the effective date of this  
14 paragraph, becomes an "active member" as defined in 24  
15 Pa.C.S. § 8102.

16           (2) The amendment of 71 Pa.C.S. § 5702(a)(6) and (c)  
17 shall apply to an individual who, on or after the effective  
18 date of this paragraph, becomes an "active member" as defined  
19 in 71 Pa.C.S. § 5102.

20       Section 4. This act shall take effect in 60 days.