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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 1535 Session of  
2002

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INTRODUCED BY PICCOLA, TARTAGLIONE, LEMMOND AND WOZNIAK,  
OCTOBER 1, 2002

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REFERRED TO FINANCE, OCTOBER 1, 2002

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AN ACT

1 Amending Title 71 (State Government) of the Pennsylvania  
2 Consolidated Statutes, further providing for termination of  
3 annuities.

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

6 Section 1. Section 5706(c)(3) of Title 71 of the  
7 Pennsylvania Consolidated Statutes is amended to read:

8 § 5706. Termination of annuities.

9 \* \* \*

10 (c) Elimination of the effect of frozen present value.--

11 \* \* \*

12 (3) In addition to any other adjustment to the present  
13 value of the maximum single life annuity that a member may be  
14 entitled to receive that occurs as a result of any other  
15 provision of law, the present value of the maximum single  
16 life annuity shall be reduced by all amounts paid or payable  
17 to him during all previous periods of retirement plus  
18 interest on these amounts until the date of subsequent

1 retirement. The interest for each year shall be calculated  
2 [based upon the annual interest rate adopted for that fiscal  
3 year by the board for the calculation of the normal  
4 contribution rate pursuant to section 5508(b) (relating to  
5 actuarial cost method)] using statutory interest.

6 Section 2. This act shall take effect in 60 days.