

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1787 Session of
1981

INTRODUCED BY RASCO, NOYE, J. L. WRIGHT, DeMEDIO, PETRARCA,
PRATT, POTT, HALUSKA, MILLER, STEWART, MARMION AND SNYDER,
AUGUST 12, 1981

REFERRED TO COMMITTEE ON EDUCATION, AUGUST 12, 1981

AN ACT

1 Amending Title 24 (Education) of the Pennsylvania Consolidated
2 Statutes, further defining "basic contribution rate" and
3 "superannuation or normal retirement age," and changing
4 provisions for maximum single life annuity.

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

7 Section 1. The definitions of "basic contribution rate" and
8 "superannuation or normal retirement age" in section 8102 and
9 section 8342(a) of Title 24, act of November 25, 1970 (P.L.707,
10 No.230), known as the Pennsylvania Consolidated Statutes, are
11 amended to read:

12 § 8102. Definitions.

13 The following words and phrases when used in this part shall
14 have, unless the context clearly indicates otherwise, the
15 meanings given to them in this section:

16 * * *

17 "Basic contribution rate." The rate of [5 1/4%] 6% except
18 for an active member of Class T-A or T-B, the appropriate rate

1 based on sex and age at entry into the system.

2 * * *

3 "Superannuation or normal retirement age."

4	Class of service	Age
5	T-A	62 or any age upon accrual
6		of 35 eligibility points
7	T-B	62
8	T-C	62 or age [60] <u>55</u> provided the
9		member has at least 30
10		eligibility points or
11		any age upon accrual of
12		35 eligibility points

13 * * *

14 § 8342. Maximum single life annuity.

15 (a) General rule.--Upon termination of service, any full
16 coverage member who is eligible to receive an annuity pursuant
17 to the provisions of section 8307(a) or (b) (relating to
18 eligibility for annuities) and has made an application in
19 accordance with the provisions of section 8507(f) (relating to
20 rights and duties of school employees and members) shall be
21 entitled to receive a maximum single life annuity attributable
22 to his credited service and equal to the sum of the following
23 single life annuities beginning at the effective date of
24 retirement and, in case the member on the effective date of
25 retirement is under superannuation age, multiplied by a
26 reduction factor calculated to provide benefits actuarially
27 equivalent to an annuity starting at superannuation age:
28 Provided, however, That on or after July 1, 1976, in the case of
29 any Class T-A or T-B member who has attained age 55 and has 25
30 or more eligibility points such sum of single life annuities

1 shall be reduced by a percentage determined by multiplying the
2 number of months, including a fraction of a month as a full
3 month, by which the effective date of retirement precedes
4 superannuation age by 1/4%:

5 (1) A standard single life annuity multiplied by the
6 class of service multiplier and calculated on the basis of
7 the number of years of credited school service other than
8 concurrent service.

9 (2) A standard single life annuity multiplied by the
10 class of service multiplier and calculated on the basis of
11 the number of years of concurrent service and multiplied by
12 the ratio of total compensation received in the school system
13 during the period of concurrent service to the total
14 compensation received during such period.

15 (3) A supplemental annuity such that the total annuity
16 prior to any optional modification or any reduction due to
17 retirement prior to superannuation age shall be at least \$100
18 for each full year of credited service.

19 * * *

20 Section 2. This act shall take effect immediately.