

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1034 Session of 2011

INTRODUCED BY CUTLER, BARRAR, BOYD, DAY, DENLINGER, GINGRICH,
HARRIS, HORNAMAN, KAUFFMAN, KRIEGER, MILLER, MILNE, MOUL,
MURT, PERRY, SCHRODER, SONNEY, SWANGER, TOEPEL AND
VULAKOVICH, MARCH 14, 2011

REFERRED TO COMMITTEE ON FINANCE, MARCH 14, 2011

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, amended
16 November 23, 2010 (P.L. , No.120), are amended to read:
17 § 5702. Maximum single life annuity.

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

11 * * *

12 (6) If eligible, a single life annuity sufficient
13 together with the annuity provided for in paragraph (1) as a
14 Class A, Class AA, Class A-3 and Class A-4 member and the
15 highest annuity provided for in paragraph (2) to which he is
16 entitled, or at his option could have been entitled, to
17 produce that percentage of a standard single life annuity
18 adjusted by the application of the class of service
19 multiplier for Class A, Class AA, Class A-3 or Class A-4 as
20 set forth in paragraph (1) in the case where any service is
21 credited as a member of Class A, Class AA, Class A-3 or Class
22 A-4 on the effective date of retirement as determined by his
23 total years of credited service as a member of Class A, Class
24 AA, Class A-3 and Class A-4. [and by the following table:

25	Total Years of	Percentage of
26	Credited Service	Standard
27	as a Member of	Single Life
28	Class A,	Annuity Adjusted for
29	Class AA, Class A-3	Class A, Class AA,
30	and Class A-4	Class A-3 and Class A-4

1		Class of
2		Service Multipliers
3	35-40	100%
4	41	102%
5	42	104%
6	43	106%
7	44	108%
8	45 or more	110%]

9 * * *

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

18 * * *

19 Section 3. This act shall apply as follows:

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

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

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