

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1536 Session of
1998

INTRODUCED BY ARMSTRONG, SEPTEMBER 25, 1998

REFERRED TO FINANCE, SEPTEMBER 25, 1998

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," further providing for retirement
6 plans for teachers and employees.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. Section 2013-A of the act of March 10, 1949
10 (P.L.30, No.14), known as the Public School Code of 1949, added
11 November 12, 1982 (P.L.660, No.188), is amended to read:

12 Section 2013-A. Teachers' and Employees' Retirement Plans.--
13 (a) Pursuant to the provisions of 24 Pa.C.S. § 8301 (relating to
14 mandatory and optional membership), all professional and other
15 employees of the system and its institutions shall be accorded
16 the right to elect participation in the Pennsylvania Public
17 School Employees' Retirement System or the State Employees'
18 Retirement System. Alternatively, eligible employees shall have
19 the right to elect participation in [the] an alternative

retirement plan offered by the Teachers' Insurance and Annuity Association of America--College Retirement Equities Fund (TIAA-CREF) [retirement plan.] and other approved insurance companies authorized to issue annuity contracts in this Commonwealth.

(b) All companies offering the alternative retirement plan must meet the following conditions:

(1) Be in good standing with the Insurance Department.

(2) Maintain high financial ratings.

(3) Be participating in similar defined contribution primary pension plans in at least ten other states.

(4) Have one agent designated as the authorized company representative at each institution.

(5) Provide quarterly and annual reports of participants with summary reports to the institution.

(6) Coordinate deduction authorizations with benefit personnel at each institution.

(c) Company contract must do all of the following:

(1) Comply with the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §1 et seq.)

(2) Have intrastate and interstate portability.

(3) Provide early withdrawal options.

(d) Approved companies must provide education including all of the following:

(1) Personal counseling.

(2) Retirement-related financial planning services.

(3) Investment education.

(4) Group seminars.

(5) Asset allocation services.

(6) Retirement needs analysis.

(e) In approving an alternative company, the following

1 criteria shall be considered:

2 (1) The potential effectiveness of the company's contract in
3 meeting plan goals.

4 (2) The nature and extent of the rights and benefits
5 provided in the company's contract and the suitability of the
6 contract to the goals for the plan.

7 (3) The capability of the company to meet plan goals.

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