

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1127 Session of  
1977

INTRODUCED BY MELUSKEY, SCHWEDER, DeMEDIO, LINCOLN, NOYE, WISE,  
E. Z. TAYLOR, COHEN, W. D. HUTCHINSON, WIGGINS AND DAVIES,  
MAY 24, 1977

REFERRED TO COMMITTEE ON EDUCATION, MAY 24, 1977

AN ACT

1 Amending Title 24 (Education) of the Pennsylvania Consolidated  
2 Statutes, further providing for member's options.

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

5 Section 1. Section 8345(a), Title 24, act of November 25,  
6 1970 (P.L.707, No.230), known as the Pennsylvania Consolidated  
7 Statutes, is amended to read:

8 § 8345. Member's options.

9 (a) General rule.--[Any] Any member eligible for a  
10 disability annuity in accordance with the provisions of section  
11 8344 (relating to disability annuities), any vestee with ten or  
12 more eligibility points or any other eligible member upon  
13 termination of school service who has not withdrawn his  
14 accumulated deductions as provided in section 8341 (relating to  
15 return of accumulated deductions) may apply for and elect to  
16 receive either a maximum single life annuity, as calculated in  
17 accordance with the provisions of section 8342 (relating to

1 maximum single life annuity), or a reduced annuity certified by  
2 the actuary to be actuarially equivalent to the maximum single  
3 life annuity and in accordance with one of the following  
4 options, except that no member shall elect an annuity payable to  
5 one or more survivor annuitants other than his spouse of such a  
6 magnitude that the present value of the annuity payable to him  
7 for life plus any lump sum payment he may have elected to  
8 receive is less than 50% of the present value of his maximum  
9 single life annuity. Such actuarial equivalence shall be  
10 determined on the basis of factors applicable for nondisabled  
11 lives.

12 (1) Option 1.--A life annuity to the member with a  
13 guaranteed total payment equal to the present value of the  
14 maximum single life annuity on the effective date of  
15 retirement with the provision that, if, at his death, he has  
16 received less than such present value, the unpaid balance  
17 shall be payable to his beneficiary.

18 (2) Option 2.--A joint and survivor annuity payable  
19 during the lifetime of the member with the full amount of  
20 such annuity payable thereafter to his survivor annuitant, if  
21 living at his death.

22 (3) Option 3.--A joint and fifty percent (50%) survivor  
23 annuity payable during the lifetime of the member with one-  
24 half of such annuity payable thereafter to his survivor  
25 annuitant, if living at his death.

26 (4) Option 4.--Some other benefit which shall be  
27 certified by the actuary to be actuarially equivalent to the  
28 maximum single life annuity, subject to the following  
29 restrictions:

30 (i) Any annuity shall be payable without reduction

1 during the lifetime of the member except as the result of  
2 the member's election to receive an annuity reduced upon  
3 attainment of age 65, in anticipation of the receipt of a  
4 social security benefit.

5 (ii) The sum of all annuities payable to the  
6 designated survivor annuitants shall not be greater than  
7 one and one-half times the annuity payable to the member.

8 (iii) A portion of the benefit may be payable as a  
9 lump sum, except that such lump sum payment shall be  
10 limited to one such payment and it shall not exceed an  
11 amount equal to the accumulated deductions standing to  
12 the credit of the member. The balance of the present  
13 value of the maximum single life annuity adjusted in  
14 accordance with section 8342(b) shall be paid in the form  
15 of an annuity with a guaranteed total payment, a single  
16 life annuity, or a joint and survivor annuity or any  
17 combination thereof but subject to the restrictions of  
18 subparagraphs (i) and (ii) of this paragraph.

19 \* \* \*

20 Section 2. This act shall take effect immediately and shall  
21 be retroactive to October 2, 1975.