
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 920

Session of
1985

INTRODUCED BY HUTCHINSON, APRIL 16, 1985

REFERRED TO COMMITTEE ON EDUCATION, APRIL 16, 1985

AN ACT

1 Amending Title 24 (Education) of the Pennsylvania Consolidated
2 Statutes, further providing for automatic cost-of-living
3 increases for annuitants of the Public School Employees'
4 Retirement System.

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

7 Section 1. Section 8348(a) and (b) of Title 24 of the
8 Pennsylvania Consolidated Statutes are amended to read:

9 § 8348. Supplemental annuities.

10 (a) General rule.--Every annuitant who is in receipt of a
11 superannuation, withdrawal or disability annuity, shall continue
12 to receive such annuity and beginning July 1, [1979, any
13 annuitant who retired on or prior to July 1, 1978, shall receive
14 a cost-of-living supplement determined as a percentage applied
15 to the retirement annuity as of June 30, 1979. Such cost-of-
16 living supplement shall be payable under the same terms and
17 conditions as provided under the option plan in effect as of
18 June 30, 1979.] 1985, and annually thereafter, a cost-of-living

1 supplement shall be payable to each annuitant whose
2 superannuation, withdrawal or disability annuity has been in
3 effect for at least 24 consecutive months. The cost-of-living
4 supplement shall be payable under the same terms and conditions
5 as provided under the option plan in effect as of June 30 of the
6 year of adjustment and shall be determined as a constant
7 proportion of percentage increases in the Consumer Price Index
8 (United States average all items) prepared and published by the
9 United States Department of Labor Statistics. For increases
10 payable July 1, 1985, each percentage factor shall be equal to
11 one-half of the percentage change in the index from June 1980 or
12 June of the fiscal year of retirement, whichever is later, to
13 June 1982. In 1986 and each year thereafter between January 1
14 and February 1, the board shall determine the percentage change
15 in the Consumer Price Index (United States average all items)
16 from the later of June 1982 or June of the year preceding the
17 most recent cost-of-living adjustment to June of the year
18 preceding the determination. On the basis of the determination
19 and effective July 1 thereafter, each annuity paid as of this
20 date to a member whose annuity has been in effect for at least
21 24 consecutive months prior to this date shall be adjusted by
22 one-half of the percentage change in the Consumer Price Index so
23 determined. The percentage increase paid in any one year after
24 July 1, 1985, shall in no event exceed 6%.

25 [(b) Cost-of-living adjustment factors.--The percentage
26 which is to be applied in the determination of the cost-of-
27 living supplements shall be determined on the basis of the
28 effective date of retirement payable on the first \$12,000 of
29 annuity received per year. The applicable percentage factors
30 are:

1	Effective date of retirement	Percentage factor
2	After July 1, 1977 through July 1, 1978	5%
3	After July 1, 1976 through July 1, 1977	10%
4	After July 1, 1975 through July 1, 1976	13%
5	After July 1, 1974 through July 1, 1975	20%
6	After July 1, 1973 through July 1, 1974	27%
7	On or prior to July 1, 1973	31%]

8 * * *

9 Section 2. This act shall take effect July 1, 1985, or
10 immediately, whichever is later.