

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 226 Session of  
2003

INTRODUCED BY BARD, FEBRUARY 11, 2003

REFERRED TO COMMITTEE ON EDUCATION, FEBRUARY 11, 2003

AN ACT

1 Amending Title 24 (Education) of the Pennsylvania Consolidated  
2 Statutes, further providing for contributions by the  
3 Commonwealth and for payments to school entities by  
4 Commonwealth.

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

7 Section 1. Section 8326(c) of Title 24 of the Pennsylvania  
8 Consolidated Statutes is amended and the section is amended by  
9 adding a subsection to read:

10 § 8326. Contributions by the Commonwealth.

11 \* \* \*

12 (c) Contributions after June 30, 1995.--

13 (1) The Commonwealth shall make contributions into the  
14 fund on behalf of all active members, including members on  
15 activated military service leave, for service performed after  
16 June 30, 1995, in the following manner:

17 (i) For members who are employees of employers that  
18 are school entities, no Commonwealth contributions shall

1 be made.

2 (ii) For members who are employees of employers that  
3 are not school entities, the amount computed under  
4 [subsection (a)] subsections (a) and (d).

5 (2) The Commonwealth shall make contributions into the  
6 fund on behalf of annuitants for all amounts due to the fund  
7 after June 30, 1995, including, but not limited to, amounts  
8 due pursuant to section 8328(d) and (f), in the following  
9 manner:

10 (i) For members who are employees of employers who  
11 are school entities, no Commonwealth contributions shall  
12 be made.

13 (ii) For members who are employees of employers who  
14 are not school entities, the amount computed under  
15 [subsection (b)] subsections (b) and (d).

16 (d) Additional contributions.--Notwithstanding any other  
17 provision of law, in the event that the total contribution rate  
18 certified by the board under section 8328 exceeds 1.15%, the  
19 Commonwealth shall contribute into the fund, on behalf of all  
20 members who are employees of employers who are not school  
21 entities, the full amount in excess of 1.15%. This provision,  
22 however, shall not affect the Commonwealth's contribution in the  
23 case of a school employee who has elected membership in a  
24 retirement program approved by the employer.

25 Section 2. Section 8535 of Title 24 is amended to read:

26 § 8535. Payments to school entities by Commonwealth.

27 For each school year beginning with the 1995-1996 school  
28 year, each school entity shall be paid by the Commonwealth for  
29 contributions based upon school service of active members of the  
30 system after June 30, 1995, as follows:

1           (1) The Commonwealth shall pay each school entity for  
2       contributions made to the Public School Employees' Retirement  
3       Fund based upon school service of all active members,  
4       including members on activated military service leave, whose  
5       effective dates of employment with their school entities are  
6       after June 30, 1994, and who also had not previously been  
7       employed by any school entity within this Commonwealth an  
8       amount equal to the amount certified by the Public School  
9       Employees' Retirement Board as necessary to provide, together  
10      with the members' contributions, reserves on account of  
11      prospective annuities, supplemental annuities and the premium  
12      assistance program as provided in this part in accordance  
13      with section 8328 (relating to actuarial cost method),  
14      multiplied by the market value/income aid ratio of the school  
15      entity. For no school year shall any school entity receive  
16      less than the amount that would result if the market  
17      value/income aid ratio as defined in section 2501(14.1) of  
18      the Public School Code of 1949 was 0.50.

19          (2) The Commonwealth shall pay each school entity for  
20      contributions made to the Public School Employees' Retirement  
21      Fund based upon school service of all active members,  
22      including members on activated military service leave, who  
23      are not described in paragraph (1), one-half of the amount  
24      certified by the Public School Employees' Retirement Board as  
25      necessary to provide, together with the members'  
26      contributions, reserves on account of prospective annuities,  
27      supplemental annuities and the premium assistance program as  
28      provided in this part in accordance with section 8328.

29          (2.1) Notwithstanding any other provision of law, in the  
30      event that the total contribution rate certified by the board

1     under section 8328 exceeds 1.15%, the Commonwealth shall pay  
2     each school entity for contributions made to the Public  
3     School Employees' Retirement Fund based upon school service  
4     of all active members, including members on activated  
5     military service leave, the full amount in excess of 1.15%.

6           (3) School entities shall have up to five days after  
7     receipt of the Commonwealth's portion of the employer's  
8     liability to make payment to the Public School Employees'  
9     Retirement Fund.

10    Section 3. This act shall apply to school years commencing  
11    on or after July 1, 2003.

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