

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 876 Session of
2007

INTRODUCED BY D. EVANS, NICKOL, BOYD, BUXTON, CLYMER, COSTA,
DALEY, DePASQUALE, EACHUS, FAIRCHILD, GEORGE, JAMES,
W. KELLER, LEACH, LEVDANSKY, MAHER, McCALL, McILHATTAN,
MILLARD, R. MILLER, QUINN, SAYLOR, SIPTROTH, YUDICHAK,
GRUCELA, ROSS, McILVAINE SMITH, RUBLEY, KILLION, NAILOR,
MARSHALL, SCAVELLO, SONNEY, HARHART AND JOSEPHS,
MARCH 22, 2007

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES,
AS AMENDED, APRIL 25, 2007

AN ACT

1 Amending Title 71 (State Government) of the Pennsylvania
2 Consolidated Statutes, further providing for the employer
3 contribution rate.

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

6 Section 1. Section 5508(a) of Title 71 of the Pennsylvania
7 Consolidated Statutes is amended to read:

8 § 5508. Actuarial cost method.

9 (a) Employer contribution rate on behalf of active
10 members.--The amount of the Commonwealth and other employer
11 contributions on behalf of all active members shall be computed
12 by the actuary as a percentage of the total compensation of all
13 active members during the period for which the amount is
14 determined and shall be so certified by the board. The total
15 employer contribution rate on behalf of all active members shall

1 consist of the employer normal contribution rate, as defined in
2 subsection (b), and the accrued liability contribution rate as
3 defined in subsection (c). The total employer contribution rate
4 shall be modified by the experience adjustment factor as
5 calculated in subsection (f) but in no case shall it be less
6 than zero. The total employer contribution rate shall be
7 modified by the experience adjustment factor as calculated in
8 subsection (f), but in no case shall it be less than:

9 (1) 2% for the fiscal year beginning July 1, 2004;

10 (2) 3% for the fiscal year beginning July 1, 2005; and

11 (3) 4% for the fiscal year beginning July 1, 2006, and
12 thereafter.

13 * * *

14 SECTION 2. IF, PRIOR TO THE EFFECTIVE DATE OF THIS SECTION, <—
15 THE BOARD CERTIFIES EMPLOYER CONTRIBUTION RATES FOR THE FISCAL
16 YEAR BEGINNING JULY 1, 2007, THE BOARD SHALL, NOTWITHSTANDING
17 ANY OTHER PROVISION OF LAW TO THE CONTRARY, RECERTIFY TO THE
18 SECRETARY OF THE BUDGET THE CONTRIBUTIONS, RATES, FACTORS AND
19 AMOUNTS SET FORTH IN 71 PA.C.S. § 5902(K). THE BOARD'S
20 RECERTIFICATION SHALL REFLECT ALL CHANGES IN THE CONTRIBUTIONS,
21 RATES, FACTORS AND AMOUNTS PREVIOUSLY CERTIFIED BY THE BOARD
22 PRIOR TO THE EFFECTIVE DATE OF THIS ACT FOR THE FISCAL YEAR
23 BEGINNING JULY 1, 2007, WHICH ARE REQUIRED TO COMPLY WITH 71
24 PA.C.S. § 5508. SUCH RECERTIFICATION SHALL OCCUR WITHIN 15 DAYS
25 OF THE EFFECTIVE DATE OF THIS SECTION AND SHALL SUPERSEDE THE
26 PRIOR CERTIFICATION FOR ALL PURPOSES.

27 Section ~~2~~ 3. This act shall take effect ~~in 60 days~~ <—
28 IMMEDIATELY. <—