

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2084 Session of  
2007

INTRODUCED BY GIBBONS, SAINATO, GRUCELA, BELFANTI, BASTIAN,  
BIANCUCCI, BLACKWELL, BRENNAN, BROOKS, BUXTON, CAPPELLI,  
CARROLL, CAUSER, CLYMER, CONKLIN, COSTA, CRUZ, DENLINGER,  
ELLIS, FABRIZIO, FLECK, GEORGE, GERGELY, GINGRICH, GOODMAN,  
HALUSKA, HANNA, HARHAI, HARKINS, HARPER, HELM, HENNESSEY,  
HESS, HORNAMAN, HUTCHINSON, JAMES, KOTIK, KULA, LEACH,  
LONGIETTI, MAHONEY, MANDERINO, MARKOSEK, McILHATTAN, MENSCH,  
MILNE, MOYER, MUNDY, MURT, MUSTIO, MYERS, M. O'BRIEN,  
O'NEILL, PASHINSKI, PAYNE, PETRARCA, PETRONE, PICKETT,  
RAMALEY, READSHAW, REICHLEY, SCAVELLO, SCHRODER, SEIP,  
SHIMKUS, SIPTROTH, McILVAINE SMITH, K. SMITH, SOLOBAY, STERN,  
R. STEVENSON, SURRA, TANGRETTI, WAGNER, J. WHITE, WOJNAROSKI,  
YOUNGBLOOD, HARRIS, KAUFFMAN, D. EVANS AND REED,  
DECEMBER 5, 2007

REFERRED TO COMMITTEE ON STATE GOVERNMENT, DECEMBER 5, 2007

AN ACT

1 Amending Titles 24 (Education) and 71 (State Government) of the  
2 Pennsylvania Consolidated Statutes, providing for  
3 supplemental annuity commencing 2007.

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

6 Section 1. Title 24 of the Pennsylvania Consolidated  
7 Statutes is amended by adding a section to read:

8 § 8348.8. Supplemental annuity commencing 2007.

9 (a) Benefits.--Commencing with the first monthly annuity  
10 payment after July 1, 2007, any eligible benefit recipient shall  
11 be entitled to receive an additional monthly supplemental  
12 annuity from the system that shall be paid over a five-year

1 period in accordance with this section. This shall be in  
2 addition to the supplemental annuities provided for in sections  
3 8348 (relating to supplemental annuities), 8348.1 (relating to  
4 additional supplemental annuities), 8348.2 (relating to further  
5 additional supplemental annuities), 8348.3 (relating to  
6 supplemental annuities commencing 1994), 8348.4 (relating to  
7 special supplemental postretirement adjustment), 8348.5  
8 (relating to supplemental annuities commencing 1998), 8348.6  
9 (relating to supplemental annuities commencing 2002) and 8348.7  
10 (relating to supplemental annuities commencing 2003).

11 (b) Amount of additional supplemental annuity.--The amount  
12 of the supplemental annuity payable from July 1, 2007, through  
13 June 30, 2008, pursuant to this section shall be a percentage of  
14 the amount of the monthly annuity payment on July 1, 2007,  
15 determined on the basis of the most recent effective date of  
16 retirement as follows:

<u>Most recent effective</u>	<u>Percentage factor</u>
<u>date of retirement</u>	
<u>July 2, 2000, through July 1, 2001</u>	<u>20.0%</u>
<u>July 2, 1999, through July 1, 2000</u>	<u>24.0%</u>
<u>July 2, 1998, through July 1, 1999</u>	<u>28.0%</u>
<u>July 2, 1997, through July 1, 1998</u>	<u>32.0%</u>
<u>July 2, 1996, through July 1, 1997</u>	<u>36.0%</u>
<u>July 2, 1995, through July 1, 1996</u>	<u>40.0%</u>
<u>July 2, 1994, through July 1, 1995</u>	<u>44.0%</u>
<u>July 2, 1993, through July 1, 1994</u>	<u>48.0%</u>
<u>July 2, 1992, through July 1, 1993</u>	<u>52.0%</u>
<u>July 2, 1991, through July 1, 1992</u>	<u>56.0%</u>
<u>July 2, 1990, through July 1, 1991</u>	<u>60.0%</u>
<u>July 2, 1989, through July 1, 1990</u>	<u>64.0%</u>

1	<u>July 2, 1988, through July 1, 1989</u>	<u>68.0%</u>
2	<u>July 2, 1987, through July 1, 1988</u>	<u>72.0%</u>
3	<u>July 2, 1986, through July 1, 1987</u>	<u>76.0%</u>
4	<u>July 2, 1985, through July 1, 1986</u>	<u>80.0%</u>
5	<u>July 2, 1984, through July 1, 1985</u>	<u>84.0%</u>
6	<u>July 2, 1983, through July 1, 1984</u>	<u>88.0%</u>
7	<u>July 2, 1982, through July 1, 1983</u>	<u>92.0%</u>
8	<u>July 2, 1981, through July 1, 1982</u>	<u>96.0%</u>
9	<u>Prior to July 2, 1981</u>	<u>100.0%</u>

10     (c) Payment.--The supplemental annuity provided under this  
11     section shall be paid automatically over a five-year period at  
12     20% of the supplemental annuity amount each year unless the  
13     annuitant files a written notice with the board requesting that  
14     the additional monthly supplemental annuity not be paid.

15     (d) Conditions.--The supplemental annuity provided under  
16     this section shall be payable under the same terms and  
17     conditions as provided under the option plan in effect as of  
18     July 1, 2007.

19     (e) Benefits to beneficiaries or survivors.--No supplemental  
20     annuity provided under this section shall be payable to the  
21     beneficiary or survivor annuitant of a member who dies before  
22     July 1, 2007.

23     (f) Funding.--The additional liability for the increase in  
24     benefits provided in this section shall be funded in equal  
25     dollar annual installments over a period of ten years beginning  
26     July 1, 2007.

27     (g) Eligible benefit recipient.--As used in this section,  
28     the term "eligible benefit recipient" means a person:

29             (1) who is receiving a superannuation, withdrawal or  
30     disability annuity on July 1, 2007;

1       (2) whose most recent effective date of retirement is  
2       prior to July 1, 2001; and

3       (3) whose credited service does not include any service  
4       credited as either Class T-D, Class D-4 or Class AA service.

5       Notwithstanding the above, the supplemental annuities provided  
6       under this section shall not be payable to an annuitant  
7       receiving a withdrawal annuity prior to the first day of July  
8       coincident with or following the annuitant's attainment of  
9       superannuation age.

10       Section 2. Title 71 is amended by adding a section to read:

11       § 5708.9. Supplemental annuity commencing 2007.

12       (a) Benefits.--Commencing with the first monthly annuity  
13       payment after July 1, 2007, any eligible benefit recipient shall  
14       be entitled to receive an additional monthly supplemental  
15       annuity from the system that shall be paid over a five-year  
16       period in accordance with this section. This shall be in  
17       addition to the supplemental annuities provided for in sections  
18       5708 (relating to supplemental annuities), 5708.1 (relating to  
19       additional supplemental annuities), 5708.2 (relating to further  
20       additional supplemental annuities), 5708.3 (relating to  
21       supplemental annuities commencing 1994), 5708.4 (relating to  
22       special supplemental postretirement adjustment), 5708.5  
23       (relating to supplemental annuities commencing 1998), 5708.6  
24       (relating to supplemental annuities commencing 2002) and 5708.7  
25       (relating to supplemental annuities commencing 2003).

26       (b) Amount of additional supplemental annuity.--The amount  
27       of the supplemental annuity payable from July 1, 2007, through  
28       June 30, 2008, pursuant to this section shall be a percentage of  
29       the amount of the monthly annuity payment on July 1, 2007,  
30       determined on the basis of the most recent effective date of

1 retirement as follows:

2	<u>Most recent effective</u>	<u>Percentage factor</u>
3	<u>date of retirement</u>	
4	<u>July 2, 2000, through July 1, 2001</u>	<u>20.0%</u>
5	<u>July 2, 1999, through July 1, 2000</u>	<u>24.0%</u>
6	<u>July 2, 1998, through July 1, 1999</u>	<u>28.0%</u>
7	<u>July 2, 1997, through July 1, 1998</u>	<u>32.0%</u>
8	<u>July 2, 1996, through July 1, 1997</u>	<u>36.0%</u>
9	<u>July 2, 1995, through July 1, 1996</u>	<u>40.0%</u>
10	<u>July 2, 1994, through July 1, 1995</u>	<u>44.0%</u>
11	<u>July 2, 1993, through July 1, 1994</u>	<u>48.0%</u>
12	<u>July 2, 1992, through July 1, 1993</u>	<u>52.0%</u>
13	<u>July 2, 1991, through July 1, 1992</u>	<u>56.0%</u>
14	<u>July 2, 1990, through July 1, 1991</u>	<u>60.0%</u>
15	<u>July 2, 1989, through July 1, 1990</u>	<u>64.0%</u>
16	<u>July 2, 1988, through July 1, 1989</u>	<u>68.0%</u>
17	<u>July 2, 1987, through July 1, 1988</u>	<u>72.0%</u>
18	<u>July 2, 1986, through July 1, 1987</u>	<u>76.0%</u>
19	<u>July 2, 1985, through July 1, 1986</u>	<u>80.0%</u>
20	<u>July 2, 1984, through July 1, 1985</u>	<u>84.0%</u>
21	<u>July 2, 1983, through July 1, 1984</u>	<u>88.0%</u>
22	<u>July 2, 1982, through July 1, 1983</u>	<u>92.0%</u>
23	<u>July 2, 1981, through July 1, 1982</u>	<u>96.0%</u>
24	<u>Prior to July 2, 1981</u>	<u>100.0%</u>

25 (c) Payment.--The supplemental annuity provided under this  
26 section shall be paid automatically over a five-year period at  
27 20% of the supplemental annuity amount each year unless the  
28 annuitant files a written notice with the board requesting that  
29 the additional monthly supplemental annuity not be paid.

30 (d) Conditions.--The supplemental annuity provided under

1 this section shall be payable under the same terms and  
2 conditions as provided under the option plan in effect as of  
3 July 1, 2007.

4 (e) Benefits to beneficiaries or survivors.--No supplemental  
5 annuity provided under this section shall be payable to the  
6 beneficiary or survivor annuitant of a member who dies before  
7 July 1, 2007.

8 (f) Funding.--The additional liability for the increase in  
9 benefits provided in this section shall be funded in equal  
10 dollar annual installments over a period of ten years beginning  
11 July 1, 2007.

12 (g) Eligible benefit recipient.--As used in this section,  
13 the term "eligible benefit recipient" means a person:

14 (1) who is receiving a superannuation, withdrawal or  
15 disability annuity on July 1, 2007;

16 (2) whose most recent effective date of retirement is  
17 prior to July 1, 2001; and

18 (3) whose credited service does not include any service  
19 credited as either Class T-D, Class D-4 or Class AA service.

20 Notwithstanding the above, the supplemental annuities provided  
21 under this section shall not be payable to an annuitant  
22 receiving a withdrawal annuity prior to the first day of July  
23 coincident with or following the annuitant's attainment of  
24 superannuation age.

25 Section 3. This act shall take effect immediately.