

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1379 Session of 2023

INTRODUCED BY MALAGARI, MADDEN, KULIK, VENKAT, SOLOMON, WEBSTER, HILL-EVANS, DELLOSO, McNEILL, GUENST, KAZEEM, SANCHEZ, KHAN, DEASY, GALLOWAY, MARSHALL, WARREN, HARKINS, STEELE, RIGBY, PISCIOTTANO, M. MACKENZIE, R. MACKENZIE, EMRICK, D. WILLIAMS, MATZIE, CERRATO, SHUSTERMAN, GALLAGHER, O'MARA, MIHALEK, CONKLIN, CIRESI, MULLINS, GREEN, OTTEN, JOZWIAK, DALEY, BOROWSKI, PASHINSKI, BOYD, SCOTT, GIRAL, HANBIDGE AND MADSEN, JUNE 12, 2023

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, OCTOBER 7, 2024

AN ACT

1 ~~Amending the act of December 14, 1988 (P.L.1192, No.147),~~ <--  
2 ~~entitled "An act requiring municipal retirement systems to~~  
3 ~~pay special ad hoc postretirement adjustments to certain~~  
4 ~~retired police officers and firefighters; providing for the~~  
5 ~~financing of these adjustments; providing for the~~  
6 ~~administration of the Commonwealth's reimbursements for these~~  
7 ~~adjustments; and making repeals," providing for 2024 special~~  
8 ~~ad hoc municipal police and firefighter postretirement~~  
9 ~~adjustment; in financing of special ad hoc adjustment,~~  
10 ~~further providing for reimbursement by Commonwealth for 2002~~  
11 ~~special ad hoc adjustment; and, in administrative provisions,~~  
12 ~~further providing for municipal retirement system~~  
13 ~~certification of adjustments paid and of reimbursable amounts~~  
14 ~~and for municipal receipt of reimbursement payment.~~

15 AMENDING TITLES 24 (EDUCATION), 53 (MUNICIPALITIES GENERALLY) <--  
16 AND 71 (STATE GOVERNMENT) OF THE PENNSYLVANIA CONSOLIDATED  
17 STATUTES, IN MEMBERSHIP, CONTRIBUTIONS AND BENEFITS,  
18 PROVIDING FOR SUPPLEMENTAL ANNUITY COMMENCING 2025; IN  
19 MUNICIPAL PENSIONS, PROVIDING FOR 2025 SPECIAL AD HOC  
20 MUNICIPAL POLICE AND FIREFIGHTER POSTRETIREMENT ADJUSTMENT;  
21 AND, IN BENEFITS, PROVIDING FOR SUPPLEMENTAL ANNUITY  
22 COMMENCING 2025.

23 The General Assembly of the Commonwealth of Pennsylvania

24 hereby enacts as follows:



1     ~~20 years.~~

2             ~~(3) The sum of \$300 per month if, on January 1, 2024,~~  
3     ~~the retiree has been retired for at least 20 years.~~

4     ~~(b) Limitation. If, under section 4A01, a retiree is~~  
5     ~~entitled to be paid a special ad hoc postretirement adjustment~~  
6     ~~by more than one municipal retirement system, the amount of the~~  
7     ~~special ad hoc postretirement adjustment under subsection (a)~~  
8     ~~shall be reduced so that the total of all these adjustments paid~~  
9     ~~to the retiree does not exceed the amount specified in~~  
10    ~~subsection (a).~~

11    ~~(c) Modification in amount of 2024 special ad hoc~~  
12    ~~postretirement adjustment. The amount of the special ad hoc~~  
13    ~~postretirement adjustment calculated under subsection (a) shall~~  
14    ~~be reduced annually by 65% of the total amount of any~~  
15    ~~postretirement adjustments provided to the retiree under the~~  
16    ~~municipal retirement plan after January 1, 2002, and before~~  
17    ~~December 31, 2023, and paid in the immediately preceding year.~~

18             ~~Section 2. Sections 502.1 and 901(a)(2) of the act are~~  
19    ~~amended to read:~~

20    ~~Section 502.1. Reimbursement by Commonwealth for 2002 and 2024~~  
21             ~~special ad hoc [adjustment] adjustments.~~

22             ~~(a) General rule.—~~

23             ~~(1) Except as provided in subsection (b), beginning in~~  
24             ~~the year following the year in which the amortization~~  
25             ~~contribution requirement attributable to a special ad hoc~~  
26             ~~postretirement [adjustment] adjustments under [Chapter 4 is]~~  
27             ~~Chapters 4 and 4A are first reflected in the financial~~  
28             ~~requirements of the retirement system determined under~~  
29             ~~Chapter 3 of the act of December 18, 1984 (P.L.1005, No.205),~~  
30             ~~known as the Municipal Pension Plan Funding Standard and~~

1 ~~Recovery Act, the Auditor General shall determine the~~  
2 ~~Commonwealth reimbursement payable to the municipality~~  
3 ~~representing the amortization contribution requirement~~  
4 ~~attributable to the special ad hoc postretirement~~  
5 ~~[adjustment] adjustments under [Chapter 4] Chapters 4 and 4A~~  
6 ~~that was paid with revenues of the municipality other than~~  
7 ~~general municipal pension system State aid provided under the~~  
8 ~~Municipal Pension Plan Funding Standard and Recovery Act.~~

9 ~~(2) The determination of the reimbursable amount of the~~  
10 ~~amortization contribution requirement attributable to the~~  
11 ~~special ad hoc postretirement [adjustment] adjustments under~~  
12 ~~[Chapter 4] Chapters 4 and 4A in any year shall be calculated~~  
13 ~~as the amortization contribution requirement attributable to~~  
14 ~~the special ad hoc postretirement adjustments under [Chapter~~  
15 ~~4] Chapters 4 and 4A and reflected in the determination of~~  
16 ~~the financial requirements of the pension plan under Chapter~~  
17 ~~3 of the Municipal Pension Plan Funding Standard and Recovery~~  
18 ~~Act for the immediate prior year less the product of that~~  
19 ~~amortization contribution requirement multiplied by the ratio~~  
20 ~~of the amount of general municipal pension system State aid~~  
21 ~~allocated to the retirement system in the immediate prior~~  
22 ~~year to the total amount of municipal contributions made to~~  
23 ~~the retirement system from all sources other than employee~~  
24 ~~contributions in the immediate prior year. Where a~~  
25 ~~municipality has issued bonds or notes to fund an unfunded~~  
26 ~~actuarial accrued liability under 53 Pa.C.S. Pt. [V] VII~~  
27 ~~Subpt. B (relating to indebtedness and borrowing) or under~~  
28 ~~other laws applicable to the municipality, the general~~  
29 ~~municipal pension system State aid and municipal~~  
30 ~~contributions used by the municipality to make debt service~~

1 ~~payments on the bonds or notes, or both, issued to fund an~~  
2 ~~unfunded actuarial accrued liability shall be included in the~~  
3 ~~calculation of the ratio applied to the amortization~~  
4 ~~contribution requirement.~~

5 ~~(3) The Commonwealth shall reimburse a municipality,~~  
6 ~~from the special account established under section 701, for~~  
7 ~~the reimbursable amount determined for each year under this~~  
8 ~~paragraph.~~

9 ~~(b) Limitation of eligibility.~~

10 ~~(1) The Commonwealth shall not reimburse any~~  
11 ~~municipality for a special ad hoc [adjustment] adjustments~~  
12 ~~paid under [Chapter 4] Chapters 4 and 4A if the information~~  
13 ~~required under section 901(a)(2) either was not certified to~~  
14 ~~the Auditor General or was certified after April 1 of the~~  
15 ~~year the certification was due.~~

16 ~~(2) The Commonwealth shall not reimburse a municipality~~  
17 ~~for the reimbursable amount of the amortization contribution~~  
18 ~~requirement attributable to the special ad hoc postretirement~~  
19 ~~[adjustment] adjustments under [Chapter 4] Chapters 4 and 4A~~  
20 ~~if the municipality fails to submit a complete certification~~  
21 ~~of the reimbursable amount of the amortization contribution~~  
22 ~~requirement determined under subsection (a) to the Auditor~~  
23 ~~General before April 1 of the year in which the reimbursement~~  
24 ~~is payable.~~

25 ~~(c) Variable definition of amortization contribution~~  
26 ~~requirement. For purposes of this section, the term~~  
27 ~~"amortization contribution requirement" shall have the meaning~~  
28 ~~specified in this subsection as follows:~~

29 ~~(1) In a municipal pension plan with defined benefits~~  
30 ~~for which the municipality determines the financial~~

1 ~~requirements of the pension plan under section 302 of the~~  
2 ~~Municipal Pension Plan Funding Standard and Recovery Act, the~~  
3 ~~term "amortization contribution requirement" shall mean the~~  
4 ~~amortization contribution requirement attributable to the~~  
5 ~~special ad hoc postretirement adjustments under [Chapter 4]~~  
6 ~~Chapters 4 and 4A that was reflected in the financial~~  
7 ~~requirements of the pension plan determined for the immediate~~  
8 ~~prior year.~~

9 ~~(2) In a municipal pension plan without defined benefits~~  
10 ~~for which the municipality determines the financial~~  
11 ~~requirements of the pension plan under section 303 of the~~  
12 ~~Municipal Pension Plan Funding Standard and Recovery Act, the~~  
13 ~~term "amortization contribution requirement" shall mean the~~  
14 ~~sum of the payments made to the retirement system in the~~  
15 ~~immediate prior year in order to provide the special ad hoc~~  
16 ~~postretirement adjustments under [Chapter 4] Chapters 4 and~~  
17 ~~4A in that year.~~

18 ~~Section 901. Municipal retirement system certification of~~  
19 ~~adjustments paid and of reimbursable amounts.~~

20 ~~(a) Certification.—~~

21 ~~\* \* \*~~

22 ~~(2) Beginning in the year 2002, a municipality with a~~  
23 ~~retirement system that pays a special ad hoc postretirement~~  
24 ~~[adjustment] adjustments under [Chapter 4] Chapters 4 and 4A~~  
25 ~~in a year shall certify its reimbursable amount under section~~  
26 ~~502.1(a) to the Auditor General not later than April 1 of the~~  
27 ~~following year.~~

28 ~~\* \* \*~~

29 ~~Section 3. Section 903 of the act is amended by adding a~~  
30 ~~subsection to read:~~

1 ~~Section 903. Municipal receipt of reimbursement payment.~~

2 ~~\*\*\*~~

3 ~~(c) 2024 postretirement adjustment reimbursement. Upon~~  
4 ~~receipt of the reimbursement payment from the Commonwealth for~~  
5 ~~the postretirement adjustments under Chapter 4A, the treasurer~~  
6 ~~of the municipality shall deposit the reimbursement payment into~~  
7 ~~the municipality's general fund.~~

8 ~~Section 4. The special ad hoc postretirement adjustment~~  
9 ~~under section 4A01 of the act is effective on the date of the~~  
10 ~~first retirement benefit made after January 1, 2024. If the~~  
11 ~~special ad hoc postretirement adjustment under section 4A01 of~~  
12 ~~the act is not included in the initial retirement benefit~~  
13 ~~payment occurring after January 1, 2024, the special ad hoc~~  
14 ~~postretirement adjustment shall be included as soon as~~  
15 ~~practicable in the retirement benefit payment of the retiree,~~  
16 ~~and the initial retirement benefit payment that includes the~~  
17 ~~special ad hoc postretirement adjustment also shall include the~~  
18 ~~total amount of the special ad hoc postretirement adjustments~~  
19 ~~previously omitted from the retirement benefit payments made~~  
20 ~~after January 1, 2024.~~

21 ~~Section 5. This act shall take effect immediately.~~

22 SECTION 1. TITLE 24 OF THE PENNSYLVANIA CONSOLIDATED

<--

23 STATUTES IS AMENDED BY ADDING A SECTION TO READ:

24 § 8348.8. SUPPLEMENTAL ANNUITY COMMENCING 2025.

25 (A) BENEFITS.--COMMENCING WITH THE FIRST MONTHLY ANNUITY  
26 PAYMENT AFTER JULY 1, 2025, AN ELIGIBLE BENEFIT RECIPIENT SHALL  
27 BE ENTITLED TO RECEIVE AN ADDITIONAL MONTHLY SUPPLEMENTAL  
28 ANNUITY FROM THE SYSTEM. THE ADDITIONAL MONTHLY SUPPLEMENTAL  
29 ANNUITY UNDER THIS SECTION SHALL BE IN ADDITION TO THE  
30 SUPPLEMENTAL ANNUITIES PROVIDED FOR UNDER SECTIONS 8348

1 (RELATING TO SUPPLEMENTAL ANNUITIES), 8348.1 (RELATING TO  
 2 ADDITIONAL SUPPLEMENTAL ANNUITIES), 8348.2 (RELATING TO FURTHER  
 3 ADDITIONAL SUPPLEMENTAL ANNUITIES), 8348.3 (RELATING TO  
 4 SUPPLEMENTAL ANNUITIES COMMENCING 1994), 8348.4 (RELATING TO  
 5 SPECIAL SUPPLEMENTAL POSTRETIREMENT ADJUSTMENT), 8348.5  
 6 (RELATING TO SUPPLEMENTAL ANNUITIES COMMENCING 1998), 8348.6  
 7 (RELATING TO SUPPLEMENTAL ANNUITIES COMMENCING 2002) AND 8348.7  
 8 (RELATING TO SUPPLEMENTAL ANNUITIES COMMENCING 2003).

9 (B) AMOUNT OF ADDITIONAL SUPPLEMENTAL ANNUITY.--THE AMOUNT  
 10 OF THE SUPPLEMENTAL ANNUITY PAYABLE UNDER THIS SECTION SHALL BE  
 11 A PERCENTAGE OF THE AMOUNT OF THE MONTHLY ANNUITY PAYMENT ON  
 12 JULY 1, 2025, DETERMINED ON THE BASIS OF THE MOST RECENT  
 13 EFFECTIVE DATE OF RETIREMENT AS FOLLOWS:

<u>MOST RECENT EFFECTIVE DATE</u>	<u>PERCENTAGE FACTOR</u>
<u>OF RETIREMENT</u>	
<u>JULY 2, 2000, THROUGH JULY 1, 2001</u>	15%
<u>JULY 2, 1999, THROUGH JULY 1, 2000</u>	15.5%
<u>JULY 2, 1998, THROUGH JULY 1, 1999</u>	16%
<u>JULY 2, 1997, THROUGH JULY 1, 1998</u>	16.5%
<u>JULY 2, 1996, THROUGH JULY 1, 1997</u>	17%
<u>JULY 2, 1995, THROUGH JULY 1, 1996</u>	17.5%
<u>JULY 2, 1994, THROUGH JULY 1, 1995</u>	18%
<u>JULY 2, 1993, THROUGH JULY 1, 1994</u>	18.5%
<u>JULY 2, 1992, THROUGH JULY 1, 1993</u>	19%
<u>JULY 2, 1991, THROUGH JULY 1, 1992</u>	19.5%
<u>JULY 2, 1990, THROUGH JULY 1, 1991</u>	20%
<u>JULY 2, 1989, THROUGH JULY 1, 1990</u>	20.5%
<u>JULY 2, 1988, THROUGH JULY 1, 1989</u>	21%
<u>JULY 2, 1987, THROUGH JULY 1, 1988</u>	21.5%
<u>JULY 2, 1986, THROUGH JULY 1, 1987</u>	22%



1	<u>JULY 2, 1985, THROUGH JULY 1, 1986</u>	<u>22.5%</u>
2	<u>JULY 2, 1984, THROUGH JULY 1, 1985</u>	<u>23%</u>
3	<u>JULY 2, 1983, THROUGH JULY 1, 1984</u>	<u>23.5%</u>
4	<u>JULY 2, 1982, THROUGH JULY 1, 1983</u>	<u>24%</u>
5	<u>PRIOR TO JULY 2, 1982</u>	<u>24.5%</u>

6 (C) PAYMENT.--THE SUPPLEMENTAL ANNUITY PROVIDED UNDER THIS  
7 SECTION SHALL BE PAID AUTOMATICALLY UNLESS THE ANNUITANT FILES A  
8 WRITTEN NOTICE WITH THE BOARD REQUESTING THAT THE ADDITIONAL  
9 MONTHLY SUPPLEMENTAL ANNUITY NOT BE PAID.

10 (D) CONDITIONS.--THE SUPPLEMENTAL ANNUITY PROVIDED UNDER  
11 THIS SECTION SHALL BE PAYABLE UNDER THE SAME TERMS AND  
12 CONDITIONS AS PROVIDED UNDER THE OPTION PLAN IN EFFECT AS OF  
13 JULY 1, 2025, AND SHALL BE SUBJECT TO ANY SUBSEQUENT  
14 MODIFICATION OF THAT OPTION PLAN.

15 (E) BENEFITS TO BENEFICIARIES OR SURVIVORS.--NO SUPPLEMENTAL  
16 ANNUITY PROVIDED UNDER THIS SECTION SHALL BE PAYABLE TO THE  
17 BENEFICIARY OR SURVIVOR ANNUITANT OF A MEMBER WHO DIES BEFORE  
18 JULY 1, 2025.

19 (F) FUNDING.--NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO  
20 THE CONTRARY, THE ADDITIONAL LIABILITY FOR THE INCREASE IN  
21 BENEFITS PROVIDED UNDER THIS SECTION SHALL BE FUNDED IN EQUAL  
22 DOLLAR ANNUAL INSTALLMENTS OVER A PERIOD OF 10 YEARS BEGINNING  
23 JULY 1, 2025.

24 (G) ELIGIBLE BENEFIT RECIPIENT.--

25 (1) AN ELIGIBLE BENEFIT RECIPIENT IS AN INDIVIDUAL:

26 (I) WHO IS RECEIVING A SUPERANNUATION, WITHDRAWAL OR  
27 DISABILITY ANNUITY ON JULY 1, 2025;

28 (II) WHOSE MOST RECENT EFFECTIVE DATE OF RETIREMENT  
29 IS PRIOR TO JULY 2, 2001; AND

30 (III) WHOSE CREDITED SERVICE DOES NOT INCLUDE ANY



1 REGULAR SERVICES FOR A MUNICIPALITY AND WHO IS REGULARLY ENTERED  
2 ON THE PAYROLL OF THE MUNICIPALITY.

3 "FIREFIGHTER." A MUNICIPAL EMPLOYEE WHO HOLDS A FULL-TIME  
4 POSITION IN THE FIREFIGHTING SERVICE OF A MUNICIPALITY AND HAS  
5 RETIREMENT COVERAGE PROVIDED BY A RETIREMENT SYSTEM.

6 "MUNICIPALITY." A BOROUGH, CITY, COUNTY OF THE SECOND CLASS,  
7 INCORPORATED TOWN OR TOWNSHIP, HOWEVER CONSTITUTED, WHETHER  
8 OPERATING UNDER A LEGISLATIVE CHARTER; A MUNICIPAL CODE; AN  
9 OPTIONAL CHARTER ADOPTED UNDER THE ACT OF JULY 15, 1957  
10 (P.L.901, NO.399), KNOWN AS THE OPTIONAL THIRD CLASS CITY  
11 CHARTER LAW; A HOME RULE CHARTER OR AN OPTIONAL PLAN ADOPTED  
12 UNDER THE FORMER ACT OF APRIL 13, 1972 (P.L.184, NO.62), KNOWN  
13 AS THE HOME RULE CHARTER AND OPTIONAL PLANS LAW; OR OTHER  
14 ARRANGEMENT; OR AN ASSOCIATION OF THESE MUNICIPALITIES  
15 COOPERATING UNDER THE FORMER ACT OF JULY 12, 1972 (P.L.762,  
16 NO.180), REFERRED TO AS THE INTERGOVERNMENTAL COOPERATION LAW.

17 "POLICE OFFICER." A MUNICIPAL EMPLOYEE WHO HOLDS A FULL-TIME  
18 POSITION IN THE POLICE SERVICE OF A MUNICIPALITY AND HAS  
19 RETIREMENT COVERAGE PROVIDED BY A RETIREMENT SYSTEM.

20 "POSTRETIREMENT ADJUSTMENT." AN INCREASE IN OR CHANGE IN THE  
21 AMOUNT OF A RETIREMENT ANNUITY, RETIREMENT BENEFIT, SERVICE  
22 PENSION OR DISABILITY PENSION BENEFIT GRANTED OR EFFECTIVE AFTER  
23 ACTIVE EMPLOYMENT CEASES.

24 "PUBLIC EMPLOYEE RETIREMENT SYSTEM." AN ENTITY, WHETHER A  
25 SEPARATE ENTITY OR PART OF A GOVERNMENTAL ENTITY, THAT COLLECTS  
26 RETIREMENT AND OTHER EMPLOYEE BENEFIT CONTRIBUTIONS FROM  
27 GOVERNMENT EMPLOYEES AND EMPLOYERS; HOLDS AND MANAGES THE  
28 RESULTING ASSETS AS RESERVES FOR PRESENT AND FUTURE RETIREMENT  
29 ANNUITY, RETIREMENT BENEFIT, SERVICE PENSION OR DISABILITY  
30 PENSION BENEFIT PAYMENTS; AND MAKES PROVISION FOR THESE PAYMENTS

1 TO QUALIFIED RETIREES AND BENEFICIARIES.

2 "RETIREMENT BENEFIT." THE AMOUNT PAID ON A REGULAR BASIS TO  
3 A RETIRED OR DISABLED POLICE OFFICER OR FIREFIGHTER BY A  
4 MUNICIPAL RETIREMENT SYSTEM ESTABLISHED FOR POLICE OFFICERS OR  
5 FIREFIGHTERS.

6 "RETIREMENT SYSTEM." A PUBLIC EMPLOYEE RETIREMENT SYSTEM.

7 "SPECIAL AD HOC ADJUSTMENT" OR "SPECIAL AD HOC POSTRETIREMENT  
8 ADJUSTMENT." AN INCREASE IN THE AMOUNT OF A RETIREMENT BENEFIT  
9 AS PROVIDED FOR UNDER ACT 147 AND THIS SUBCHAPTER.

10 § 9132. ENTITLEMENT TO 2025 SPECIAL AD HOC POSTRETIREMENT  
11 ADJUSTMENT.

12 A MUNICIPAL RETIREMENT SYSTEM SHALL PAY A RETIRED POLICE  
13 OFFICER OR FIREFIGHTER A SPECIAL AD HOC POSTRETIREMENT  
14 ADJUSTMENT UNDER THIS SUBCHAPTER IF ALL OF THE FOLLOWING APPLY:

15 (1) THE RETIREE HAS TERMINATED ACTIVE EMPLOYMENT WITH  
16 THE MUNICIPALITY AS A POLICE OFFICER OR FIREFIGHTER.

17 (2) THE RETIREE IS RECEIVING A RETIREMENT BENEFIT FROM A  
18 MUNICIPAL RETIREMENT SYSTEM ON THE BASIS OF ACTIVE EMPLOYMENT  
19 WITH THE MUNICIPALITY AS A POLICE OFFICER OR FIREFIGHTER.

20 (3) THE RETIREE BEGAN RECEIVING THE RETIREMENT BENEFIT  
21 BEFORE JANUARY 1, 2019.

22 § 9133. AMOUNT OF 2025 SPECIAL AD HOC POSTRETIREMENT  
23 ADJUSTMENT.

24 (A) GENERAL RULE.--EXCEPT AS PROVIDED IN SUBSECTIONS (B) AND  
25 (C), A MUNICIPAL RETIREMENT SYSTEM SHALL PAY A RETIRED POLICE  
26 OFFICER OR FIREFIGHTER A MONTHLY SPECIAL AD HOC POSTRETIREMENT  
27 ADJUSTMENT UNDER SECTION 9132 (RELATING TO ENTITLEMENT TO 2025  
28 SPECIAL AD HOC POSTRETIREMENT ADJUSTMENT) AS FOLLOWS:

29 (1) THE SUM OF \$75 PER MONTH IF, ON JANUARY 1, 2025, THE  
30 RETIREE HAS BEEN RETIRED FOR AT LEAST FIVE YEARS BUT LESS

1 THAN 10 YEARS.

2 (2) THE SUM OF \$150 PER MONTH IF, ON JANUARY 1, 2025,  
3 THE RETIREE HAS BEEN RETIRED FOR LEAST 10 YEARS BUT LESS THAN  
4 20 YEARS.

5 (3) THE SUM OF \$300 PER MONTH IF, ON JANUARY 1, 2025,  
6 THE RETIREE HAS BEEN RETIRED FOR AT LEAST 20 YEARS.

7 (B) LIMITATION.--IF, UNDER SECTION 9132, A RETIREE IS  
8 ENTITLED TO BE PAID A SPECIAL AD HOC POSTRETIREMENT ADJUSTMENT  
9 BY MORE THAN ONE MUNICIPAL RETIREMENT SYSTEM, THE AMOUNT OF THE  
10 SPECIAL AD HOC POSTRETIREMENT ADJUSTMENT UNDER SUBSECTION (A)  
11 SHALL BE REDUCED SO THAT THE TOTAL OF ALL THESE ADJUSTMENTS PAID  
12 TO THE RETIREE DOES NOT EXCEED THE AMOUNT SPECIFIED IN  
13 SUBSECTION (A).

14 (C) MODIFICATION IN AMOUNT OF 2025 SPECIAL AD HOC  
15 POSTRETIREMENT ADJUSTMENT.--THE AMOUNT OF THE SPECIAL AD HOC  
16 POSTRETIREMENT ADJUSTMENT CALCULATED UNDER SUBSECTION (A) SHALL  
17 BE REDUCED ANNUALLY BY 65% OF THE TOTAL AMOUNT OF ANY  
18 POSTRETIREMENT ADJUSTMENTS PROVIDED TO THE RETIREE UNDER THE  
19 MUNICIPAL RETIREMENT PLAN AFTER JANUARY 1, 2002, AND BEFORE  
20 DECEMBER 31, 2024, AND PAID IN THE IMMEDIATELY PRECEDING YEAR.  
21 § 9134. REIMBURSEMENT BY COMMONWEALTH FOR 2025 SPECIAL AD HOC  
22 ADJUSTMENT.

23 (A) GENERAL RULE.--

24 (1) EXCEPT AS PROVIDED IN SUBSECTION (B), BEGINNING IN  
25 THE YEAR FOLLOWING THE YEAR IN WHICH THE AMORTIZATION  
26 CONTRIBUTION REQUIREMENT ATTRIBUTABLE TO A SPECIAL AD HOC  
27 POSTRETIREMENT ADJUSTMENT UNDER THIS SUBCHAPTER IS FIRST  
28 REFLECTED IN THE FINANCIAL REQUIREMENTS OF THE RETIREMENT  
29 SYSTEM DETERMINED UNDER CHAPTER 3 OF THE ACT OF DECEMBER 18,  
30 1984 (P.L.1005, NO.205), KNOWN AS THE MUNICIPAL PENSION PLAN

1 FUNDING STANDARD AND RECOVERY ACT, THE AUDITOR GENERAL SHALL  
2 DETERMINE THE COMMONWEALTH REIMBURSEMENT PAYABLE TO THE  
3 MUNICIPALITY REPRESENTING THE AMORTIZATION CONTRIBUTION  
4 REQUIREMENT ATTRIBUTABLE TO THE SPECIAL AD HOC POSTRETIREMENT  
5 ADJUSTMENT UNDER THIS SUBCHAPTER THAT WAS PAID WITH REVENUES  
6 OF THE MUNICIPALITY OTHER THAN GENERAL MUNICIPAL PENSION  
7 SYSTEM STATE AID PROVIDED UNDER THE MUNICIPAL PENSION PLAN  
8 FUNDING STANDARD AND RECOVERY ACT.

9 (2) THE DETERMINATION OF THE REIMBURSABLE AMOUNT OF THE  
10 AMORTIZATION CONTRIBUTION REQUIREMENT ATTRIBUTABLE TO THE  
11 SPECIAL AD HOC POSTRETIREMENT ADJUSTMENT UNDER THIS  
12 SUBCHAPTER IN ANY YEAR SHALL BE CALCULATED AS THE  
13 AMORTIZATION CONTRIBUTION REQUIREMENT ATTRIBUTABLE TO THE  
14 SPECIAL AD HOC POSTRETIREMENT ADJUSTMENTS UNDER THIS  
15 SUBCHAPTER AND REFLECTED IN THE DETERMINATION OF THE  
16 FINANCIAL REQUIREMENTS OF THE PENSION PLAN UNDER CHAPTER 3 OF  
17 THE MUNICIPAL PENSION PLAN FUNDING STANDARD AND RECOVERY ACT  
18 FOR THE IMMEDIATE PRIOR YEAR LESS THE PRODUCT OF THAT  
19 AMORTIZATION CONTRIBUTION REQUIREMENT MULTIPLIED BY THE RATIO  
20 OF THE AMOUNT OF GENERAL MUNICIPAL PENSION SYSTEM STATE AID  
21 ALLOCATED TO THE RETIREMENT SYSTEM IN THE IMMEDIATE PRIOR  
22 YEAR TO THE TOTAL AMOUNT OF MUNICIPAL CONTRIBUTIONS MADE TO  
23 THE RETIREMENT SYSTEM FROM ALL SOURCES OTHER THAN EMPLOYEE  
24 CONTRIBUTIONS IN THE IMMEDIATE PRIOR YEAR. WHERE A  
25 MUNICIPALITY HAS ISSUED BONDS OR NOTES TO FUND AN UNFUNDED  
26 ACTUARIAL ACCRUED LIABILITY UNDER SUBPART B OF PART VII  
27 (RELATING TO INDEBTEDNESS AND BORROWING) OR UNDER OTHER LAWS  
28 APPLICABLE TO THE MUNICIPALITY, THE GENERAL MUNICIPAL PENSION  
29 SYSTEM STATE AID AND MUNICIPAL CONTRIBUTIONS USED BY THE  
30 MUNICIPALITY TO MAKE DEBT SERVICE PAYMENTS ON THE BONDS OR

1 NOTES, OR BOTH, ISSUED TO FUND AN UNFUNDED ACTUARIAL ACCRUED  
2 LIABILITY SHALL BE INCLUDED IN THE CALCULATION OF THE RATIO  
3 APPLIED TO THE AMORTIZATION CONTRIBUTION REQUIREMENT.

4 (3) THE COMMONWEALTH SHALL REIMBURSE A MUNICIPALITY,  
5 FROM THE SPECIAL ACCOUNT ESTABLISHED UNDER SECTION 701 OF ACT  
6 147, FOR THE REIMBURSABLE AMOUNT DETERMINED FOR EACH YEAR  
7 UNDER THIS PARAGRAPH.

8 (B) LIMITATION OF ELIGIBILITY.--

9 (1) THE COMMONWEALTH SHALL NOT REIMBURSE ANY  
10 MUNICIPALITY FOR A SPECIAL AD HOC ADJUSTMENT PAID UNDER THIS  
11 SUBCHAPTER IF THE INFORMATION REQUIRED UNDER SECTION 901(A)

12 (2) OF ACT 147 EITHER WAS NOT CERTIFIED TO THE AUDITOR  
13 GENERAL OR WAS CERTIFIED AFTER APRIL 1 OF THE YEAR THE  
14 CERTIFICATION WAS DUE.

15 (2) THE COMMONWEALTH SHALL NOT REIMBURSE A MUNICIPALITY  
16 FOR THE REIMBURSABLE AMOUNT OF THE AMORTIZATION CONTRIBUTION  
17 REQUIREMENT ATTRIBUTABLE TO THE SPECIAL AD HOC POSTRETIREMENT  
18 ADJUSTMENT UNDER THIS SUBCHAPTER IF THE MUNICIPALITY FAILS TO  
19 SUBMIT A COMPLETE CERTIFICATION OF THE REIMBURSABLE AMOUNT OF  
20 THE AMORTIZATION CONTRIBUTION REQUIREMENT DETERMINED UNDER  
21 SUBSECTION (A) TO THE AUDITOR GENERAL BEFORE APRIL 1 OF THE  
22 YEAR IN WHICH THE REIMBURSEMENT IS PAYABLE.

23 (C) VARIABLE DEFINITION OF AMORTIZATION CONTRIBUTION  
24 REQUIREMENT.--FOR PURPOSES OF THIS SECTION, THE TERM  
25 "AMORTIZATION CONTRIBUTION REQUIREMENT" SHALL HAVE THE MEANING  
26 SPECIFIED IN THIS SUBSECTION AS FOLLOWS:

27 (1) IN A MUNICIPAL PENSION PLAN WITH DEFINED BENEFITS  
28 FOR WHICH THE MUNICIPALITY DETERMINES THE FINANCIAL  
29 REQUIREMENTS OF THE PENSION PLAN UNDER SECTION 302 OF THE  
30 MUNICIPAL PENSION PLAN FUNDING STANDARD AND RECOVERY ACT, THE

1 TERM "AMORTIZATION CONTRIBUTION REQUIREMENT" SHALL MEAN THE  
2 AMORTIZATION CONTRIBUTION REQUIREMENT ATTRIBUTABLE TO THE  
3 SPECIAL AD HOC POSTRETIREMENT ADJUSTMENTS UNDER THIS  
4 SUBCHAPTER THAT WAS REFLECTED IN THE FINANCIAL REQUIREMENTS  
5 OF THE PENSION PLAN DETERMINED FOR THE IMMEDIATE PRIOR YEAR.

6 (2) IN A MUNICIPAL PENSION PLAN WITHOUT DEFINED BENEFITS  
7 FOR WHICH THE MUNICIPALITY DETERMINES THE FINANCIAL  
8 REQUIREMENTS OF THE PENSION PLAN UNDER SECTION 303 OF THE  
9 MUNICIPAL PENSION PLAN FUNDING STANDARD AND RECOVERY ACT, THE  
10 TERM "AMORTIZATION CONTRIBUTION REQUIREMENT" SHALL MEAN THE  
11 SUM OF THE PAYMENTS MADE TO THE RETIREMENT SYSTEM IN THE  
12 IMMEDIATE PRIOR YEAR IN ORDER TO PROVIDE THE SPECIAL AD HOC  
13 POSTRETIREMENT ADJUSTMENTS UNDER THIS SUBCHAPTER IN THAT  
14 YEAR.

15 § 9135. MUNICIPAL RETIREMENT SYSTEM CERTIFICATION OF

16 ADJUSTMENTS PAID AND OF REIMBURSABLE AMOUNTS.

17 BEGINNING IN THE YEAR 2002, A MUNICIPALITY WITH A RETIREMENT  
18 SYSTEM THAT PAYS A SPECIAL AD HOC POSTRETIREMENT ADJUSTMENT  
19 UNDER THIS SUBCHAPTER IN A YEAR SHALL CERTIFY ITS REIMBURSABLE  
20 AMOUNT UNDER SECTION 502.1(A) OF ACT 147 TO THE AUDITOR GENERAL  
21 NOT LATER THAN APRIL 1 OF THE FOLLOWING YEAR.

22 § 9136. MUNICIPAL RECEIPT OF REIMBURSEMENT PAYMENT.

23 UPON RECEIPT OF THE REIMBURSEMENT PAYMENT FROM THE  
24 COMMONWEALTH FOR THE POSTRETIREMENT ADJUSTMENTS UNDER THIS  
25 SUBCHAPTER, THE TREASURER OF THE MUNICIPALITY SHALL DEPOSIT THE  
26 REIMBURSEMENT PAYMENT INTO THE MUNICIPALITY'S GENERAL FUND.

27 SECTION 3. TITLE 71 IS AMENDED BY ADDING A SECTION TO READ:

28 § 5708.9. SUPPLEMENTAL ANNUITY COMMENCING 2025.

29 (A) BENEFITS.--COMMENCING WITH THE FIRST MONTHLY ANNUITY  
30 PAYMENT AFTER JANUARY 1, 2025, AN ELIGIBLE BENEFIT RECIPIENT



1 SHALL BE ENTITLED TO RECEIVE AN ADDITIONAL MONTHLY SUPPLEMENTAL  
2 ANNUITY FROM THE SYSTEM. THE ADDITIONAL MONTHLY SUPPLEMENTAL  
3 ANNUITY UNDER THIS SECTION SHALL BE IN ADDITION TO THE  
4 SUPPLEMENTAL ANNUITIES PROVIDED FOR UNDER SECTIONS 5708  
5 (RELATING TO SUPPLEMENTAL ANNUITIES), 5708.1 (RELATING TO  
6 ADDITIONAL SUPPLEMENTAL ANNUITIES), 5708.2 (RELATING TO FURTHER  
7 ADDITIONAL SUPPLEMENTAL ANNUITIES), 5708.3 (RELATING TO  
8 SUPPLEMENTAL ANNUITIES COMMENCING 1994), 5708.4 (RELATING TO  
9 SPECIAL SUPPLEMENTAL POSTRETIREMENT ADJUSTMENT), 5708.5  
10 (RELATING TO SUPPLEMENTAL ANNUITIES COMMENCING 1998), 5708.6  
11 (RELATING TO SUPPLEMENTAL ANNUITIES COMMENCING 2002), 5708.7  
12 (RELATING TO SUPPLEMENTAL ANNUITIES COMMENCING 2003) AND 5708.8  
13 (RELATING TO SPECIAL SUPPLEMENTAL POSTRETIREMENT ADJUSTMENT OF  
14 2002).

15 (B) AMOUNT OF ADDITIONAL SUPPLEMENTAL ANNUITY.--THE AMOUNT  
16 OF THE SUPPLEMENTAL ANNUITY UNDER THIS SECTION SHALL BE A  
17 PERCENTAGE OF THE AMOUNT OF THE MONTHLY ANNUITY PAYMENT ON  
18 JANUARY 1, 2025, DETERMINED ON THE BASIS OF THE MOST RECENT  
19 EFFECTIVE DATE OF RETIREMENT AS FOLLOWS:

<u>MOST RECENT EFFECTIVE DATE</u>	<u>PERCENTAGE FACTOR</u>
<u>OF RETIREMENT</u>	
<u>JULY 2, 2000, THROUGH JULY 1, 2001</u>	<u>15%</u>
<u>JULY 2, 1999, THROUGH JULY 1, 2000</u>	<u>15.5%</u>
<u>JULY 2, 1998, THROUGH JULY 1, 1999</u>	<u>16%</u>
<u>JULY 2, 1997, THROUGH JULY 1, 1998</u>	<u>16.5%</u>
<u>JULY 2, 1996, THROUGH JULY 1, 1997</u>	<u>17%</u>
<u>JULY 2, 1995, THROUGH JULY 1, 1996</u>	<u>17.5%</u>
<u>JULY 2, 1994, THROUGH JULY 1, 1995</u>	<u>18%</u>
<u>JULY 2, 1993, THROUGH JULY 1, 1994</u>	<u>18.5%</u>
<u>JULY 2, 1992, THROUGH JULY 1, 1993</u>	<u>19%</u>

1	<u>JULY 2, 1991, THROUGH JULY 1, 1992</u>	19.5%
2	<u>JULY 2, 1990, THROUGH JULY 1, 1991</u>	20%
3	<u>JULY 2, 1989, THROUGH JULY 1, 1990</u>	20.5%
4	<u>JULY 2, 1988, THROUGH JULY 1, 1989</u>	21%
5	<u>JULY 2, 1987, THROUGH JULY 1, 1988</u>	21.5%
6	<u>JULY 2, 1986, THROUGH JULY 1, 1987</u>	22%
7	<u>JULY 2, 1985, THROUGH JULY 1, 1986</u>	22.5%
8	<u>JULY 2, 1984, THROUGH JULY 1, 1985</u>	23%
9	<u>JULY 2, 1983, THROUGH JULY 1, 1984</u>	23.5%
10	<u>JULY 2, 1982, THROUGH JULY 1, 1983</u>	24%
11	<u>PRIOR TO JULY 2, 1982</u>	24.5%

12 (C) PAYMENT.--THE SUPPLEMENTAL ANNUITY PROVIDED UNDER THIS  
13 SECTION SHALL BE PAID AUTOMATICALLY UNLESS THE ANNUITANT FILES A  
14 WRITTEN NOTICE WITH THE BOARD REQUESTING THAT THE ADDITIONAL  
15 MONTHLY SUPPLEMENTAL ANNUITY NOT BE PAID.

16 (D) CONDITIONS.--THE SUPPLEMENTAL ANNUITY PROVIDED UNDER  
17 THIS SECTION SHALL BE PAYABLE UNDER THE SAME TERMS AND  
18 CONDITIONS AS PROVIDED UNDER THE OPTION PLAN IN EFFECT AS OF  
19 JANUARY 1, 2025, AND SHALL BE SUBJECT TO ANY SUBSEQUENT  
20 MODIFICATION OF THAT OPTION PLAN.

21 (E) BENEFITS TO BENEFICIARIES OR SURVIVORS.--NO SUPPLEMENTAL  
22 ANNUITY PROVIDED UNDER THIS SECTION SHALL BE PAYABLE TO THE  
23 BENEFICIARY OR SURVIVOR ANNUITANT OF A MEMBER WHO DIES BEFORE  
24 JANUARY 1, 2025.

25 (F) FUNDING.--NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO  
26 THE CONTRARY, THE ADDITIONAL LIABILITY FOR THE INCREASE IN  
27 BENEFITS PROVIDED UNDER THIS SECTION SHALL BE FUNDED IN EQUAL  
28 DOLLAR ANNUAL INSTALLMENTS OVER A PERIOD OF 10 YEARS BEGINNING  
29 JULY 1, 2025.

30 (G) ELIGIBLE BENEFIT RECIPIENT.--

1           (1) AN ELIGIBLE BENEFIT RECIPIENT IS AN INDIVIDUAL:

2           (I) WHO IS RECEIVING A SUPERANNUATION, WITHDRAWAL OR  
3           DISABILITY ANNUITY ON JANUARY 1, 2025;

4           (II) WHOSE MOST RECENT EFFECTIVE DATE OF RETIREMENT  
5           IS PRIOR TO JULY 2, 2001; AND

6           (III) WHOSE CREDITED SERVICE DOES NOT INCLUDE ANY  
7           SERVICE CREDITED AS EITHER CLASS T-D, CLASS D-4 OR CLASS  
8           AA SERVICE.

9           (2) A SUPPLEMENTAL ANNUITY PROVIDED UNDER THIS SECTION  
10          SHALL NOT BE PAYABLE TO AN ANNUITANT RECEIVING A WITHDRAWAL  
11          ANNUITY PRIOR TO THE FIRST DAY OF JULY COINCIDENT WITH OR  
12          FOLLOWING THE ANNUITANT'S ATTAINMENT OF SUPERANNUATION AGE.

13          SECTION 4. THE FOLLOWING SHALL APPLY:

14                 (1) THE SPECIAL AD HOC POSTRETIREMENT ADJUSTMENT UNDER  
15                 53 PA.C.S. CH. 91 SUBCH. D SHALL BE EFFECTIVE ON THE DATE OF  
16                 THE FIRST RETIREMENT BENEFIT MADE AFTER JANUARY 1, 2025.

17                 (2) IF THE SPECIAL AD HOC POSTRETIREMENT ADJUSTMENT  
18                 UNDER 53 PA.C.S. CH. 91 SUBCH. D IS NOT INCLUDED IN THE  
19                 INITIAL RETIREMENT BENEFIT PAYMENT OCCURRING AFTER JANUARY 1,  
20                 2025, THE SPECIAL AD HOC POSTRETIREMENT ADJUSTMENT SHALL BE  
21                 INCLUDED AS SOON AS PRACTICABLE IN THE RETIREMENT BENEFIT  
22                 PAYMENT OF THE RETIREE, AND THE INITIAL RETIREMENT BENEFIT  
23                 PAYMENT THAT INCLUDES THE SPECIAL AD HOC POSTRETIREMENT  
24                 ADJUSTMENT SHALL ALSO INCLUDE THE TOTAL AMOUNT OF THE SPECIAL  
25                 AD HOC POSTRETIREMENT ADJUSTMENTS PREVIOUSLY OMITTED FROM THE  
26                 RETIREMENT BENEFIT PAYMENTS MADE AFTER JANUARY 1, 2025.

27          SECTION 5. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.