

LEGISLATIVE REFERENCE BUREAU

L.R.B. Form No. 4 (Rev. 3/25/10)

2015D02929DMS : CMD

No. \_\_\_\_\_

LEGISLATIVE REFERENCE BUREAU

AN ACT

Amending Titles 24 (Education) and 71 (State Government) of the Pennsylvania Consolidated Statutes, in retirement for school employees, providing for supplemental annuity commencing 2015.

INTRODUCED \_\_\_\_\_ 20 \_\_\_\_\_

By \_\_\_\_\_ District NO. \_\_\_\_\_

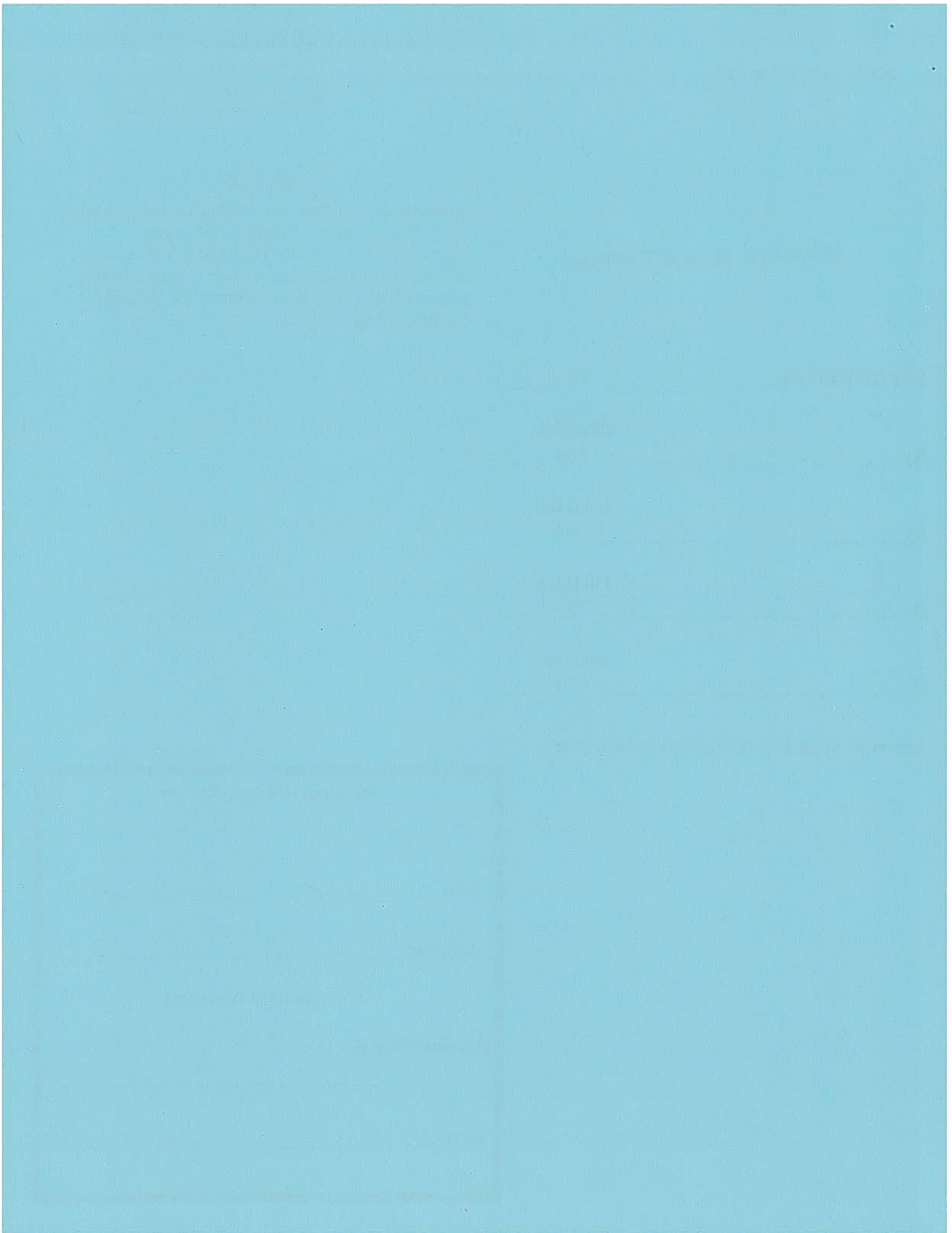
By \_\_\_\_\_ District NO. \_\_\_\_\_

By \_\_\_\_\_ District NO. \_\_\_\_\_

By \_\_\_\_\_ District NO. \_\_\_\_\_

See next page for additional co-sponsors.

<b>Referred to Committee on</b>	
Date _____	20 _____
Reported _____	20 _____
<b>As Committed-Amended</b>	
<b>Recommendation</b>	
_____	
By Hon. _____	



## AN ACT

1 Amending Titles 24 (Education) and 71 (State Government) of the  
2 Pennsylvania Consolidated Statutes, in retirement for school  
3 employees, providing for supplemental annuity commencing  
4 2015.

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

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

9 § 8348.8. Supplemental annuity commencing 2015.

10 (a) Benefits.--Commencing with the first monthly annuity  
11 payment after July 1, 2015, any eligible benefit recipient shall  
12 be entitled to receive an additional monthly supplemental  
13 annuity from the system that shall be paid over a five-year  
14 period in accordance with this section. This shall be in  
15 addition to the supplemental annuities provided for in sections  
16 8348 (relating to supplemental annuities), 8348.1 (relating to  
17 additional supplemental annuities), 8348.2 (relating to further  
18 additional supplemental annuities), 8348.3 (relating to

1 supplemental annuities commencing 1994), 8348.4 (relating to  
2 special supplemental postretirement adjustment), 8348.5  
3 (relating to supplemental annuities commencing 1998), 8348.6  
4 (relating to supplemental annuities commencing 2002) and 8348.7  
5 (relating to supplemental annuities commencing 2003).

6 (b) Amount of additional supplemental annuity.--The amount  
7 of the supplemental annuity payable from July 1, 2015, through  
8 June 30, 2016, pursuant to this section shall be a percentage of  
9 the amount of the monthly annuity payment on July 1, 2015,  
10 determined on the basis of the most recent effective date of  
11 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>
<u>July 2, 1988, through July 1, 1989</u>	<u>68.0%</u>
<u>July 2, 1987, through July 1, 1988</u>	<u>72.0%</u>
<u>July 2, 1986, through July 1, 1987</u>	<u>76.0%</u>
<u>July 2, 1985, through July 1, 1986</u>	<u>80.0%</u>
<u>July 2, 1984, through July 1, 1985</u>	<u>84.0%</u>

1	<u>July 2, 1983, through July 1, 1984</u>	<u>88.0%</u>
2	<u>July 2, 1982, through July 1, 1983</u>	<u>92.0%</u>
3	<u>July 2, 1981, through July 1, 1982</u>	<u>96.0%</u>
4	<u>Prior to July 2, 1981</u>	<u>100.0%</u>

5 (c) Payment.--The supplemental annuity provided under this  
6 section shall be paid automatically over a five-year period at  
7 20% of the supplemental annuity amount each year unless the  
8 annuitant files a written notice with the board requesting that  
9 the additional 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, 2015.

14 (e) Benefits to beneficiaries or survivors.--No supplemental  
15 annuity provided under this section shall be payable to the  
16 beneficiary or survivor annuitant of a member who dies before  
17 July 1, 2015.

18 (f) Funding.--The additional liability for the increase in  
19 benefits provided in this section shall be funded in equal  
20 dollar annual installments over a period of 10 years beginning  
21 July 1, 2015.

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

24 (1) who is receiving a superannuation, withdrawal or  
25 disability annuity on July 1, 2015;

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

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

30 Notwithstanding the above, the supplemental annuities provided

1 under this section shall not be payable to an annuitant  
2 receiving a withdrawal annuity prior to the first day of July  
3 coincident with or following the annuitant's attainment of  
4 superannuation age.

5 Section 2. Title 71 is amended by adding a section to read:  
6 § 5708.9. Supplemental annuity commencing 2015.

7 (a) Benefits.--Commencing with the first monthly annuity  
8 payment after July 1, 2015, any eligible benefit recipient shall  
9 be entitled to receive an additional monthly supplemental  
10 annuity from the system that shall be paid over a five-year  
11 period in accordance with this section. This shall be in  
12 addition to the supplemental annuities provided for in sections  
13 5708 (relating to supplemental annuities), 5708.1 (relating to  
14 additional supplemental annuities), 5708.2 (relating to further  
15 additional supplemental annuities), 5708.3 (relating to  
16 supplemental annuities commencing 1994), 5708.4 (relating to  
17 special supplemental postretirement adjustment), 5708.5  
18 (relating to supplemental annuities commencing 1998), 5708.6  
19 (relating to supplemental annuities commencing 2002) and 5708.7  
20 (relating to supplemental annuities commencing 2003).

21 (b) Amount of additional supplemental annuity.--The amount  
22 of the supplemental annuity payable from July 1, 2015, through  
23 June 30, 2016, pursuant to this section shall be a percentage of  
24 the amount of the monthly annuity payment on July 1, 2015,  
25 determined on the basis of the most recent effective date of  
26 retirement as follows:

<u>Most recent effective</u>	
<u>date of retirement</u>	<u>Percentage factor</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>

1	<u>July 2, 1998, through July 1, 1999</u>	<u>28.0%</u>
2	<u>July 2, 1997, through July 1, 1998</u>	<u>32.0%</u>
3	<u>July 2, 1996, through July 1, 1997</u>	<u>36.0%</u>
4	<u>July 2, 1995, through July 1, 1996</u>	<u>40.0%</u>
5	<u>July 2, 1994, through July 1, 1995</u>	<u>44.0%</u>
6	<u>July 2, 1993, through July 1, 1994</u>	<u>48.0%</u>
7	<u>July 2, 1992, through July 1, 1993</u>	<u>52.0%</u>
8	<u>July 2, 1991, through July 1, 1992</u>	<u>56.0%</u>
9	<u>July 2, 1990, through July 1, 1991</u>	<u>60.0%</u>
10	<u>July 2, 1989, through July 1, 1990</u>	<u>64.0%</u>
11	<u>July 2, 1988, through July 1, 1989</u>	<u>68.0%</u>
12	<u>July 2, 1987, through July 1, 1988</u>	<u>72.0%</u>
13	<u>July 2, 1986, through July 1, 1987</u>	<u>76.0%</u>
14	<u>July 2, 1985, through July 1, 1986</u>	<u>80.0%</u>
15	<u>July 2, 1984, through July 1, 1985</u>	<u>84.0%</u>
16	<u>July 2, 1983, through July 1, 1984</u>	<u>88.0%</u>
17	<u>July 2, 1982, through July 1, 1983</u>	<u>92.0%</u>
18	<u>July 2, 1981, through July 1, 1982</u>	<u>96.0%</u>
19	<u>Prior to July 2, 1981</u>	<u>100.0%</u>

20 (c) Payment.--The supplemental annuity provided under this  
21 section shall be paid automatically over a five-year period at  
22 20% of the supplemental annuity amount each year unless the  
23 annuitant files a written notice with the board requesting that  
24 the additional monthly supplemental annuity not be paid.

25 (d) Conditions.--The supplemental annuity provided under  
26 this section shall be payable under the same terms and  
27 conditions as provided under the option plan in effect as of  
28 July 1, 2015.

29 (e) Benefits to beneficiaries or survivors.--No supplemental  
30 annuity provided under this section shall be payable to the

1 beneficiary or survivor annuitant of a member who dies before  
2 July 1, 2015.

3 (f) Funding.--The additional liability for the increase in  
4 benefits provided in this section shall be funded in equal  
5 dollar annual installments over a period of 10 years beginning  
6 July 1, 2015.

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

9 (1) who is receiving a superannuation, withdrawal or  
10 disability annuity on July 1, 2015;

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

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

15 Notwithstanding the above, the supplemental annuities provided  
16 under this section shall not be payable to an annuitant  
17 receiving a withdrawal annuity prior to the first day of July  
18 coincident with or following the annuitant's attainment of  
19 superannuation age.

20 Section 3. This act shall take effect immediately.