

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1314 Session of
1989

INTRODUCED BY RHOADES, SHUMAKER, REIBMAN, SALVATORE, GREENWOOD,
STEWART, BELL, HELFRICK, STOUT, PECORA, MADIGAN, ROSS,
LEMMOND, LINCOLN, LYNCH, PORTERFIELD AND AFFLERBACH,
OCTOBER 23, 1989

REFERRED TO FINANCE, OCTOBER 23, 1989

AN ACT

1 Amending Titles 24 (Education) and 71 (State Government) of the
2 Pennsylvania Consolidated Statutes, further providing for
3 cost-of-living increases to annuitants.

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

6 Section 1. Sections 8346(a) and 8348(a) of Title 24 of the
7 Pennsylvania Consolidated Statutes are amended to read:

8 § 8346. Termination of annuities.

9 (a) General rule.--If an annuitant returns to school service
10 or enters State service and elects multiple service membership,
11 any annuity payable to him under this part shall cease and in
12 the case of an annuity other than a disability annuity the
13 present value of such annuity, adjusted for full coverage in the
14 case of a joint coverage member who makes the appropriate back
15 contributions for full coverage, shall be frozen as of the date
16 such annuity ceases. In the event that [the] a cost-of-living
17 increase [enacted December 18, 1979] occurred during the period

1 of such State or school employment, the frozen present value
2 shall be increased, on or after the member attains
3 superannuation age, by the percent applicable had he not
4 returned to service.

5 * * *

6 § 8348. Supplemental annuities.

7 (a) General rule.--Every annuitant who is in receipt of a
8 superannuation, withdrawal or disability annuity, shall continue
9 to receive such annuity [and beginning July 1, 1979, any
10 annuitant who retired on or prior to July 1, 1978, shall receive
11 a cost-of-living supplement determined as a percentage applied
12 to the retirement annuity as of June 30, 1979. Such cost-of-
13 living supplement shall be payable under the same terms and
14 conditions as provided under the option plan in effect as of
15 June 30, 1979.], and beginning January 1, 1990, and annually
16 thereafter, a cost-of-living supplement shall be payable to each
17 annuitant whose annuity has been in effect for at least 24
18 consecutive months. Any cost-of-living supplement provided in
19 this subsection shall be payable under the same terms and
20 conditions as provided under the option plan in effect as of
21 December 31 of the year preceding the adjustment. As soon as
22 possible subsequent to July 1989, and each year thereafter, the
23 board shall determine the percentage increase in the Consumer
24 Price Index for All Urban Consumers, United States City Average,
25 All Items, from June of the preceding calendar year to June of
26 the calendar year of the determination. On the basis of such
27 determination, each annuity shall be adjusted by the percentage
28 increase so determined, rounded to the nearest 0.1%. The
29 automatic percentage increase paid in any one year shall not
30 exceed 3%. No cost-of-living supplement shall be payable to an

1 annuitant receiving a withdrawal annuity prior to his attainment
2 of superannuation age.

3 * * *

4 Section 2. Sections 8348(b) and 8348.1 of Title 24 are
5 repealed.

6 Section 3. Sections 5706(a) and 5708(a) of Title 71 are
7 amended to read:

8 § 5706. Termination of annuities.

9 (a) General rule.--If the annuitant returns to State service
10 or enters school service and elects multiple service membership,
11 any annuity payable to him under this part shall cease and in
12 the case of an annuity other than a disability annuity the
13 present value of such annuity, adjusted for full coverage in the
14 case of a joint coverage member who makes the appropriate back
15 contributions for full coverage, shall be frozen as of the date
16 such annuity ceases. In the event that [the] a cost-of-living
17 increase [enacted December 18, 1979] occurred during the period
18 of such State or school employment, the frozen present value
19 shall be increased, on or after the member attains
20 superannuation age, by the percent applicable had he not
21 returned to service. This subsection shall not apply in the case
22 of any annuitant who may render services to the Commonwealth in
23 the capacity of an independent contractor or as a member of an
24 independent board or commission or as a member of a departmental
25 administrative or advisory board or commission when such members
26 of independent or departmental boards or commissions are
27 compensated on a per diem basis for not more than 100 days per
28 calendar year.

29 * * *

30 § 5708. Supplemental annuities.

1 (a) General rule.--Every annuitant [who retired prior to
2 July 1, 1978 and] who is in receipt of a superannuation,
3 withdrawal or disability annuity, shall continue to receive the
4 annuity [to which he was entitled prior to July 1, 1979 and
5 beginning July 1, 1979, any annuitant retiring on or prior to
6 June 30, 1978 shall receive a cost-of-living supplement
7 determined as a percentage applied to the retirement annuity to
8 which he was entitled prior to July 1, 1979. Such cost-of-living
9 supplement shall be payable under the same terms and conditions
10 as provided under the option plan in effect as of June 30,
11 1979.], and beginning January 1, 1990, and annually thereafter,
12 a cost-of-living supplement shall be payable to each annuitant
13 whose annuity has been in effect for at least 24 consecutive
14 months. Any cost-of-living supplement provided in this
15 subsection shall be payable under the same terms and conditions
16 as provided under the option plan in effect as of December 31 of
17 the year preceding the adjustment. As soon as possible
18 subsequent to July 1989, and each year thereafter, the board
19 shall determine the percentage increase in the Consumer Price
20 Index for All Urban Consumers, United States City Average, All
21 Items, from June of the preceding calendar year to June of the
22 calendar year of the determination. On the basis of such
23 determination, each annuity shall be adjusted by the percentage
24 increase so determined, rounded to the nearest 0.1%. The
25 automatic percentage increase paid in any one year shall not
26 exceed 3%. No cost-of-living supplement shall be payable to an
27 annuitant receiving a withdrawal annuity prior to his attainment
28 of superannuation age.

29 * * *

30 Section 4. Sections 5708(b) and 5708.1 of Title 71 are

1 repealed.

2 Section 5. This act shall take effect immediately.