

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 439

Session of
1983

INTRODUCED BY REIBMAN, WILT, SINGEL, LINCOLN, FUMO, ANDREZESKI,
LLOYD, ROCKS, HELFRICK, KELLEY, RHOADES, STAPLETON, STOUT,
MUSTO, LEWIS, HANKINS, ROMANELLI AND SHAFFER, MARCH 7, 1983

REFERRED TO FINANCE, MARCH 7, 1983

AN ACT

1 Amending Title 24 (Education) of the Pennsylvania Consolidated
2 Statutes, further defining "superannuation or normal
3 retirement age"; and further providing for contributions and
4 the crediting of interest.

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

7 Section 1. The definition of "superannuation or normal
8 retirement age" in section 8102 of Title 24 of the Pennsylvania
9 Consolidated Statutes is amended to read:

10 § 8102. Definitions.

11 The following words and phrases when used in this part shall
12 have, unless the context clearly indicates otherwise, the
13 meanings given to them in this section:

14 * * *

15 "Superannuation or normal retirement age."

16 Class of service Age

17 T-A 62 or any age upon accrual

18 of [35] 30 eligibility points

1 T-B 62
2 T-C 62 or [age 60 provided the
3 member has at least 30
4 eligibility points or]
5 any age upon accrual of
6 [35] 30 eligibility points

7 * * *

8 Section 2. Sections 8328(b) and 8521(b) of Title 24 are
9 amended to read:

10 § 8328. Actuarial cost method.

11 * * *

12 (b) Normal contribution rate.--The normal contribution rate
13 shall be determined after each actuarial valuation. Until all
14 accrued liability contributions have been completed, the normal
15 contribution rate shall be determined, on the basis of an annual
16 [5 1/2%] 7 1/2% interest rate and such mortality and other
17 tables as shall be adopted by the board, as a level percentage
18 of the compensation of the average new active member, which
19 percentage, if contributed on the basis of his prospective
20 compensation through the entire period of active school service,
21 would be sufficient to fund the liability for any prospective
22 benefit payable to him, in excess of that portion funded by his
23 prospective member contributions. After all accrued liability
24 contributions have been completed, the normal contribution rate
25 shall be determined by deducting from the present value of the
26 liabilities for all prospective benefits of active members, the
27 sum of the total assets in the fund on the valuation date,
28 excluding the balance in the annuity reserve account, and the
29 present value of prospective member contributions, and dividing
30 the remainder by the present value of the future compensation of

1 all active members.

2 * * *

3 § 8521. Management of fund and accounts.

4 * * *

5 (b) Crediting of interest.--The board annually shall allow
6 statutory interest to the credit of the members' savings account
7 on the mean amount of the accumulated deductions of all members
8 for whom interest is payable for the preceding year and
9 valuation interest on the mean amount of the annuity reserve
10 account for the preceding year to the credit of that account.
11 The board annually shall allow valuation interest calculated on
12 the mean amount for the preceding year of the balance in the
13 State accumulation account excluding any earnings of the fund
14 credited to the account during that year. In the event the total
15 earnings for the year do not exceed [5 1/2%] 7 1/2% of the mean
16 amount for the preceding year of the total assets of the fund
17 less earnings credited to the fund during that year plus the
18 administrative expenses of the board, the difference required to
19 be appropriated from the General Fund shall be credited to the
20 State accumulation account.

21 * * *

22 Section 3. This act shall take effect June 30, 1983.