

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**HOUSE BILL**  
**No. 2575** Session of  
1988

INTRODUCED BY KASUNIC, DALEY, JAROLIN, KOSINSKI, BOYES,  
F. TAYLOR, BELFANTI, COWELL, GODSHALL, SCHULER, VEON, McHALE,  
STEIGHNER, HALUSKA, ARTY, PISTELLA, BELARDI, COLAFELLA,  
HASAY, RAYMOND, JOHNSON, MAINE, PETRARCA, WOGAN, WASS, RYBAK,  
SHOWERS, LINTON, TRELLO, R. C. WRIGHT AND CARLSON, JUNE 21,  
1988

REFERRED TO COMMITTEE ON STATE GOVERNMENT, JUNE 21, 1988

AN ACT

1 Amending Title 71 (State Government) of the Pennsylvania  
2 Consolidated Statutes, further providing for cost-of-living  
3 adjustments to annuitants.

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

6 Section 1. Title 71 of the Pennsylvania Consolidated  
7 Statutes is amended by adding a section to read:

8 § 5708.2. Cost-of-living adjustment.

9 (a) Benefit.--Commencing with the first monthly payment  
10 after December 31, 1988, the system shall pay a cost-of-living  
11 adjustment to an eligible benefit recipient as provided in this  
12 section. No cost-of-living increase shall be payable to an  
13 annuitant receiving a withdrawal annuity prior to his attainment  
14 of superannuation age.

15 (b) Amount of cost-of-living adjustment.--The cost-of-living  
16 adjustment shall be 4.7% of the eligible benefit recipient's

1 monthly annuity on December 31, 1988.

2 (c) Payment.--The system shall pay the cost-of-living  
3 adjustment automatically once a month to an eligible benefit  
4 recipient unless the eligible benefit recipient files a written  
5 notice with the system requesting that the cost-of-living  
6 adjustment not be paid.

7 (d) Conditions.--The system shall pay the cost-of-living  
8 adjustment under the same terms and conditions as provided under  
9 the option plan in effect on December 31, 1988.

10 (e) Benefits paid to the beneficiaries or survivors.--No  
11 cost-of-living adjustment enacted after the death of an  
12 annuitant shall be payable to the beneficiary or survivor  
13 annuitant of the deceased annuitant.

14 (f) Funding.--The actuary shall annually certify the amount  
15 of appropriations for the next fiscal year needed to fund, over  
16 a period of 20 years from the effective date of this section,  
17 the cost-of-living adjustment provided for in this section. The  
18 additional liability for the increase in benefits which is  
19 effective January 1, 1989, shall be funded as a level annual  
20 payment over a period of 20 years beginning January 1, 1989.

21 (g) Definition.--As used in this section, the term "eligible  
22 benefit recipient" means a person who is receiving a  
23 superannuation, withdrawal or disability annuity and who  
24 commenced receipt of that annuity on or before July 1, 1986, but  
25 the cost-of-living adjustment shall not be payable to an  
26 annuitant receiving a withdrawal annuity prior to the first day  
27 of July coincident with or following the annuitant's attainment  
28 of superannuation age.

29 Section 2. This act shall take effect January 1, 1989.