

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 852

Session of
1987

INTRODUCED BY ARMSTRONG, ZEMPRELLI, MADIGAN, CORMAN, HESS,
WENGER, REGOLI, RHOADES, FISHER, REIBMAN, KELLEY AND
AFFLERBACH, MAY 27, 1987

REFERRED TO FINANCE, MAY 27, 1987

AN ACT

1 Amending Title 71 (State Government) of the Pennsylvania
2 Consolidated Statutes, providing an employer contribution
3 rate for members of an independent retirement system.

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

6 Section 1. Section 5301(a)(12) of Title 71 of the
7 Pennsylvania Consolidated Statutes, amended December 15, 1986
8 (P.L.1597, No.176), is amended to read:

9 § 5301. Mandatory and optional membership.

10 (a) Mandatory membership.--Membership in the system shall be
11 mandatory as of the effective date of employment for all State
12 employees except the following:

13 * * *

14 (12) School employees who have elected membership in an
15 independent retirement program approved by the employer,
16 provided that in no case, except for the fiscal year 1986-
17 1987, shall the employer contribute on account of such
18 elected membership at a rate greater than the employer normal

1 contribution rate as determined in section 5508(b) (relating
2 to actuarial cost method). For the fiscal year 1986-1987 an
3 employer may contribute on account of such elected membership
4 at a rate which is the greater of 7% or the employer normal
5 contribution rate as determined in section 5508(b) and for
6 all years after that at a rate of 8.95%.

7 * * *

8 Section 2. The rate shall continue without modification for
9 five years, but the Public Employee Retirement Study Commission
10 shall study the rate four years after it was last set and shall
11 recommend to the Governor and the General Assembly not later
12 than March 31 a rate for the next five years. The rate last set
13 shall continue in effect until it is changed. The recommendation
14 of the Public Employee Retirement Study Commission on the rate
15 of employer contribution shall be designed to produce parity of
16 benefits between the alternate retirement program and the State
17 Employees' Retirement System program.

18 Section 3. This act shall take effect in 60 days.