

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1449 Session of
1991

INTRODUCED BY COWELL, DeWEESE AND EVANS, JUNE 18, 1991

REFERRED TO COMMITTEE ON EDUCATION, JUNE 18, 1991

AN ACT

1 Amending Title 24 (Education) of the Pennsylvania Consolidated
2 Statutes, further providing for contributions by the
3 Commonwealth, payments by employers, payments on account of
4 social security deductions and payments to school districts;
5 and making repeals.

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

8 Section 1. Sections 8326, 8327, 8329 and 8330 of Title 24 of
9 the Pennsylvania Consolidated Statutes are amended to read:

10 § 8326. Contributions by the Commonwealth.

11 (a) Contributions on behalf of active members.--[The] Except
12 as provided in subsection (c), the Commonwealth shall make
13 contributions into the fund on behalf of all active members in
14 an amount equal to one-half the amount certified by the board as
15 necessary to provide, together with the members' contributions,
16 annuity reserves on account of prospective annuities as provided
17 in this part in accordance with section 8328(a), (b) and (c)
18 (relating to actuarial cost method). In case a school employee
19 has elected membership in a retirement program approved by the

1 employer, the Commonwealth shall contribute to such program on
2 account of his membership an amount no greater than the amount
3 it would have contributed had the employee been a member of the
4 Public School Employees' Retirement System.

5 (b) Contributions on behalf of annuitants.--The Commonwealth
6 shall make contributions on behalf of all annuitants in an
7 amount equal to one-half of the amount certified by the board as
8 necessary to fund the additional liabilities for minimum and
9 supplemental annuities in accordance with section 8328(d).

10 (c) Members employed by school districts.--The Commonwealth
11 shall, on behalf of all active members employed by school
12 districts, pay to school districts amounts which in the
13 aggregate equal one-half the amount certified by the board as
14 necessary to provide, together with the members' contributions,
15 annuity reserves on account of prospective annuities as provided
16 in this part in accordance with section 8328(a), (b) and (c). In
17 case a school employee has elected membership in a retirement
18 program approved by the employer, the Commonwealth shall
19 contribute to such program on account of his membership an
20 amount no greater than the amount it would have contributed had
21 the employee been a member of the system.

22 § 8327. Payments by employers.

23 (a) General rule.--Each employer, including the Commonwealth
24 as employer of employees of the Department of Education, State-
25 owned colleges and universities, Thaddeus Stevens State School
26 of Technology, Pennsylvania State Oral School for the Deaf,
27 Scotland School for Veterans' Children, and the Pennsylvania
28 State University, but not including school districts, shall make
29 payments to the fund each quarter in an amount equal to one-half
30 the sum of the percentages, as determined under section 8328

1 (relating to actuarial cost method), applied to the total
2 compensation during the pay periods in the preceding quarter of
3 all its employees who were members of the system during such
4 period.

5 (b) Deduction from appropriations.--To facilitate the
6 payment of amounts due from any employer to the fund through the
7 State Treasurer and to permit the exchange of credits between
8 the State Treasurer and any employer, the Secretary of Education
9 and the State Treasurer shall cause to be deducted and paid into
10 the fund from the amount of any moneys due to any employer on
11 account of any appropriation for schools or other purposes such
12 amount due to the fund as certified by the board and as remains
13 unpaid on the date such appropriations would otherwise be paid
14 to the employer, and such amount shall be credited to the
15 employer's account in the fund.

16 (c) Compensation for employment.--In regard to compensation
17 for employment after June 30, 1991, each school district shall
18 make payments equal to the sum of the percentages, as determined
19 under section 8328, applied to the total compensation during the
20 pay periods in the preceding quarter of all employees who were
21 members of the system during such period. School districts may
22 use amounts received under section 8326(c) (relating to
23 contributions by the Commonwealth) to make these payments.

24 § 8329. Payments on account of social security deductions from
25 appropriations.

26 (a) Payments by Commonwealth.--[Where] Except as provided in
27 subsection (c), where the Secretary of Education enters into an
28 agreement with the Commonwealth to place under the Federal
29 Social Security Act members who have elected coverage, the
30 Commonwealth shall pay to the employers one-half of the

1 contributions payable under the employer's tax established by
2 the Social Security Act (Public Law 74-271, 42 U.S.C. § 301 et
3 seq.) on all covered wages which are not federally funded.

4 (b) Deduction from appropriations.--The Secretary of
5 Education and the State Treasurer are hereby authorized to cause
6 to be deducted and paid into or retained in the State Treasury
7 from any moneys due to any employer on account of appropriations
8 for schools or other purposes the amounts payable under the
9 provisions of this section.

10 (c) Contributions.--Where the Secretary of Education enters
11 into an agreement with the Commonwealth to place under the
12 Social Security Act members who are employees of school
13 districts who have elected coverage, the Commonwealth shall pay
14 to school districts amounts which in the aggregate equal one-
15 half of the contributions payable under the employer's tax
16 established by the Social Security Act on all covered wages
17 which are not federally funded.

18 § 8330. Appropriations by the Commonwealth.

19 (a) Annual submission of budget.--The board shall prepare
20 and through the Governor submit annually to the General Assembly
21 an itemized budget consisting of the amounts necessary to be
22 appropriated by the Commonwealth out of the General Fund
23 required to meet the obligations accruing during the fiscal
24 period beginning July 1 of the following year.

25 (b) Appropriation and payment.--The General Assembly shall
26 make an appropriation sufficient to provide for the obligations
27 of the Commonwealth. Such amount shall be paid by the State
28 Treasurer through the Department of Revenue into the fund within
29 30 days of receipt of the requisition presented each quarter by
30 the board. However, with respect to employees of school

1 districts, such amount shall be paid to school districts as
2 specified in sections 2502.17, 2502.18 and 2517(c) of the act of
3 March 10, 1949 (P.L.30, No.14), known as the Public School Code
4 of 1949.

5 Section 2. (a) The following acts or parts of acts are
6 repealed insofar as they establish amounts and payment schedules
7 for social security and retirement contributions by the
8 Commonwealth to school districts inconsistent with those
9 contribution amounts and payment schedules contained in this
10 act:

11 Section 207(c) of the act of January 5, 1952 (1951 P.L.1833,
12 No.491), entitled, as amended, "An act to provide for the
13 coverage of certain officers and employes of the Commonwealth
14 and its political subdivisions under the old-age and survivor
15 insurance provisions of Title II of the Federal Social Security
16 Act, as amended; creating the State Agency and conferring powers
17 and imposing duties upon the State Agency; authorizing the State
18 Agency to enter into agreements with the Federal Secretary of
19 Health, Education and Welfare and with political subdivisions or
20 instrumentalities thereof under certain terms and conditions;
21 providing for the Commonwealth's contribution under agreements
22 with the Federal Secretary of Health, Education and Welfare and
23 for the collection and payment of employer and employee
24 contributions; authorizing interstate cooperation in certain
25 cases, creating a Contribution Fund; and making appropriations."

26 24 Pa.C.S. § 8502(k) and (l).

27 (b) All other acts or parts of acts are repealed insofar as
28 they are inconsistent with the provisions of this act relating
29 to amounts and payment schedules for social security and
30 retirement contributions by the Commonwealth to school

1 districts.

2 Section 3. This act shall take effect as follows:

3 (1) The amendment of 24 Pa.C.S § 8327 shall take effect
4 October 1, 1991.

5 (2) The remainder of this act shall take effect in 60
6 days.