

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2702

 Session of
1992

INTRODUCED BY EVANS, MAY 6, 1992

AMENDMENTS TO SENATE AMENDMENTS, HOUSE OF REPRESENTATIVES,
JUNE 16, 1992

AN ACT

1 ~~Making an appropriation from the State Employees' Retirement~~ <—
2 ~~Fund to provide for expenses of the State Employees'~~
3 ~~Retirement Board for the fiscal year July 1, 1992, to June~~
4 ~~30, 1993, and for the payment of bills incurred and remaining~~
5 ~~unpaid at the close of the fiscal year ending June 30, 1992.~~

1 AMENDING TITLE 24 (EDUCATION) OF THE PENNSYLVANIA CONSOLIDATED <—
2 STATUTES, FURTHER PROVIDING FOR REAMORTIZATION OF THE
3 RETIREMENT FUND.

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

6 ~~Section 1. The sum of \$13,830,000, or as much thereof as may~~ <—
7 ~~be necessary, is hereby appropriated from the State Employees'~~
8 ~~Retirement Fund to the State Employees' Retirement Board for the~~
9 ~~payment of all salaries, wages and other compensation and travel~~
10 ~~expenses of the employees and members of the State Employees'~~
11 ~~Retirement Board, for contractual services and other expenses~~
12 ~~necessary for the proper conduct of the duties, functions and~~
13 ~~activities of the board for the fiscal year beginning July 1,~~
14 ~~1992, and for the payment of bills incurred and remaining unpaid~~
15 ~~at the close of the fiscal year ending June 30, 1992.~~

1 ~~Section 2. This act shall take effect July 1, 1992, or~~
2 ~~immediately, whichever is later.~~

3 SECTION 1. SECTIONS 8328(C) AND (D), 8348.1(F) AND 8348.2(F) <—
4 OF TITLE 24 OF THE PENNSYLVANIA CONSOLIDATED STATUTES ARE
5 AMENDED TO READ:

6 § 8328. ACTUARIAL COST METHOD.

7 * * *

8 (C) ACCRUED LIABILITY CONTRIBUTION RATE.--FOR THE FISCAL
9 YEAR BEGINNING [JULY 1, 1991] JULY 1, 1992, THE ACCRUED
10 LIABILITY CONTRIBUTION RATE SHALL BE COMPUTED AS THE RATE OF
11 TOTAL COMPENSATION OF ALL ACTIVE MEMBERS WHICH SHALL BE
12 CERTIFIED BY THE ACTUARY AS SUFFICIENT TO FUND OVER A PERIOD OF
13 [20 YEARS FROM JULY 1, 1991] 30 YEARS FROM JULY 1, 1992, THE
14 PRESENT VALUE OF THE LIABILITIES FOR ALL PROSPECTIVE BENEFITS OF
15 ACTIVE MEMBERS, EXCEPT FOR THE SUPPLEMENTAL BENEFITS PROVIDED IN
16 SECTIONS 8348, 8348.1 AND 8348.2, IN EXCESS OF THE TOTAL ASSETS
17 IN THE FUND, EXCLUDING THE BALANCE IN THE ANNUITY RESERVE
18 ACCOUNT, AND OF THE PRESENT VALUE OF NORMAL CONTRIBUTIONS AND OF
19 MEMBER CONTRIBUTIONS PAYABLE WITH RESPECT TO ALL ACTIVE MEMBERS
20 ON [JULY 1, 1991] JULY 1, 1992, DURING THE REMAINDER OF THEIR
21 ACTIVE SERVICE. THEREAFTER, THE AMOUNT OF EACH ANNUAL ACCRUED
22 LIABILITY CONTRIBUTION SHALL BE 5% GREATER THAN THE AMOUNT OF
23 SUCH CONTRIBUTION FOR THE PREVIOUS FISCAL YEAR, EXCEPT THAT, IF
24 THE ACCRUED LIABILITY IS INCREASED BY LEGISLATION ENACTED
25 SUBSEQUENT TO [JULY 1, 1991] JULY 1, 1992, SUCH ADDITIONAL
26 LIABILITY SHALL BE FUNDED OVER A PERIOD OF 20 YEARS FROM THE
27 FIRST DAY OF JULY, COINCIDENT WITH OR NEXT FOLLOWING THE
28 EFFECTIVE DATE OF THE INCREASE[, PROVIDED THAT THE LIABILITY FOR
29 ANY ADDITIONAL BENEFITS CREATED BY THIS ACT, EXCEPT FOR THE
30 HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM ESTABLISHED IN

1 SECTION 8509 (RELATING TO HEALTH INSURANCE PREMIUM ASSISTANCE
2 PROGRAM), SHALL BE FUNDED OVER A PERIOD OF 20 YEARS COMMENCING
3 JULY 1, 1992]. THE AMOUNT OF EACH ANNUAL ACCRUED LIABILITY
4 CONTRIBUTION FOR SUCH ADDITIONAL LEGISLATIVE LIABILITIES SHALL
5 BE 5% GREATER THAN THE AMOUNT OF SUCH CONTRIBUTION FOR THE
6 PREVIOUS FISCAL YEAR.

7 (D) SUPPLEMENTAL ANNUITY CONTRIBUTION RATE.--CONTRIBUTIONS
8 FROM THE COMMONWEALTH AND OTHER EMPLOYERS REQUIRED TO PROVIDE
9 FOR THE PAYMENT OF THE SUPPLEMENTAL ANNUITIES PROVIDED FOR IN
10 SECTIONS 8348, 8348.1 AND 8348.2 SHALL BE PAID OVER A PERIOD OF
11 [20 YEARS FROM JULY 1, 1991] 30 YEARS FROM JULY 1, 1992. THE
12 AMOUNT OF EACH ANNUAL SUPPLEMENTAL ANNUITIES CONTRIBUTION SHALL
13 BE 5% GREATER THAN THE AMOUNT OF SUCH CONTRIBUTION FOR THE
14 PREVIOUS FISCAL YEAR. IN THE EVENT THAT SUPPLEMENTAL ANNUITIES
15 ARE INCREASED BY LEGISLATION ENACTED SUBSEQUENT TO [JULY 1,
16 1991] JULY 1, 1992, THE ADDITIONAL LIABILITY FOR THE INCREASED
17 BENEFITS SHALL BE FUNDED IN ANNUAL INSTALLMENTS INCREASING BY 5%
18 EACH YEAR OVER A PERIOD OF 20 YEARS FROM THE JULY 1, COINCIDENT
19 WITH OR NEXT FOLLOWING THE EFFECTIVE DATE OF SUCH LEGISLATION.

20 * * *

21 § 8348.1. ADDITIONAL SUPPLEMENTAL ANNUITIES.

22 * * *

23 (F) FUNDING.--THE ACTUARY SHALL ANNUALLY CERTIFY THE AMOUNT
24 OF COMMONWEALTH APPROPRIATIONS FOR THE NEXT FISCAL YEAR NEEDED
25 TO FUND, OVER A PERIOD OF [20 YEARS FROM JULY 1, 1991] 30 YEARS
26 FROM JULY 1, 1992, THE ADDITIONAL MONTHLY SUPPLEMENTAL ANNUITY
27 PROVIDED FOR IN THIS SECTION. THE BOARD SHALL SUBMIT THE
28 ACTUARY'S CERTIFICATION TO THE SECRETARY OF THE BUDGET ON OR
29 BEFORE NOVEMBER 1 OF EACH YEAR. IF, IN ANY YEAR AFTER 1984, THE
30 AMOUNT CERTIFIED IS DISAPPROVED UNDER SECTION 610 OF THE ACT OF

1 APRIL 9, 1929 (P.L.177, NO.175), KNOWN AS THE ADMINISTRATIVE
2 CODE OF 1929, AS INSUFFICIENT TO MEET THE FUNDING REQUIREMENTS
3 OF THIS SUBSECTION OR IS NOT APPROPRIATED ON OR BEFORE JULY 1,
4 THE ADDITIONAL SUPPLEMENTAL ANNUITY PROVIDED FOR IN THIS SECTION
5 SHALL BE SUSPENDED UNTIL SUCH TIME AS AN AMOUNT CERTIFIED AND
6 APPROVED AS SUFFICIENT IS APPROPRIATED.

7 * * *

8 § 8348.2. FURTHER ADDITIONAL SUPPLEMENTAL ANNUITIES.

9 * * *

10 (F) FUNDING.--THE ACTUARY SHALL ANNUALLY ESTIMATE THE AMOUNT
11 OF COMMONWEALTH APPROPRIATIONS FOR THE NEXT FISCAL YEAR NEEDED
12 TO FUND, OVER A PERIOD OF [20 YEARS FROM JULY 1, 1991] 30 YEARS
13 FROM JULY 1, 1992, THE ADDITIONAL MONTHLY SUPPLEMENTAL ANNUITY
14 PROVIDED FOR IN THIS SECTION. THE BOARD SHALL SUBMIT THE
15 ACTUARY'S ESTIMATION TO THE SECRETARY OF THE BUDGET ON OR BEFORE
16 NOVEMBER 1 OF EACH YEAR. IF, IN ANY YEAR AFTER 1988, THE AMOUNT
17 ESTIMATED IS DISAPPROVED UNDER SECTION 610 OF THE ACT OF APRIL
18 9, 1929 (P.L.177, NO.175), KNOWN AS THE ADMINISTRATIVE CODE OF
19 1929, AS INSUFFICIENT TO MEET THE FUNDING REQUIREMENTS OF THIS
20 SUBSECTION OR IS NOT APPROPRIATED ON OR BEFORE JULY 1, THE
21 ADDITIONAL SUPPLEMENTAL ANNUITY PROVIDED FOR IN THIS SECTION
22 SHALL BE SUSPENDED UNTIL SUCH TIME AS AN AMOUNT CERTIFIED AND
23 APPROVED AS SUFFICIENT IS APPROPRIATED.

24 * * *

25 SECTION 2. SECTION 7 OF THE ACT OF JULY 9, 1981 (P.L.208,
26 NO.66), KNOWN AS THE PUBLIC EMPLOYEE RETIREMENT STUDY COMMISSION
27 ACT, SHALL NOT APPLY TO THIS ACT.

28 SECTION 3. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE
29 CONTRARY, THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT BOARD SHALL,
30 EFFECTIVE FOR THE FISCAL YEAR BEGINNING JULY 1, 1992, RECERTIFY

1 TO THE BUDGET SECRETARY, WITHIN 15 DAYS OF THE EFFECTIVE DATE OF
2 THIS AMENDATORY ACT, THE CONTRIBUTIONS, RATES, FACTORS AND
3 AMOUNTS SET FORTH IN 24 PA.C.S. § 8502(K). THE BOARD'S
4 RECERTIFICATION SHALL REFLECT ALL CHANGES IN THE CONTRIBUTIONS,
5 RATES AND AMOUNTS PREVIOUSLY CERTIFIED BY THE BOARD PRIOR TO THE
6 DATE OF THIS ACT FOR THE FISCAL YEAR BEGINNING JULY 1, 1992,
7 REQUIRED TO COMPLY WITH 24 PA.C.S. § 8328, AS AMENDED BY THIS
8 ACT. THE RECERTIFICATION SHALL SUPERSEDE ANY PRIOR CERTIFICATION
9 FOR THE YEAR FOR ALL PURPOSES.

10 SECTION 4. IF ENACTED AFTER JULY 1, 1992, THIS ACT SHALL BE
11 RETROACTIVE TO THAT DATE.

12 SECTION 5. THIS ACT SHALL TAKE EFFECT JULY 1, 1992.