

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1251 Session of
2001

INTRODUCED BY BELL, STOUT, LAVALLE, HELFRICK, ERICKSON, MURPHY,
SCARNATI, ORIE, LOGAN AND BODACK, DECEMBER 13, 2001

REFERRED TO RULES AND EXECUTIVE NOMINATIONS, DECEMBER 13, 2001

AN ACT

1 Amending Title 71 (State Government) of the Pennsylvania
2 Consolidated Statutes, further providing for supplemental
3 annuities.

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 § 5708.6. Supplemental annuities commencing 2001.

9 (a) Benefits.--Commencing with the first monthly annuity
10 payment after July 1, 2002, any eligible benefit recipient shall
11 be entitled to receive a supplemental monthly annuity from the
12 system. This shall be in addition to the supplemental annuities
13 provided for in sections 5708 (relating to supplemental
14 annuities), 5708.1 (relating to additional supplemental
15 annuities), 5708.2 (relating to further additional supplemental
16 annuities), 5708.3 (relating to supplemental annuities
17 commencing 1994), the special supplemental postretirement
18 adjustment provided for in section 5708.4 (relating to special

1 supplemental postretirement adjustment) and 5708.5 (relating to
2 supplemental annuities commencing 1998).

3 (b) Amount of supplemental annuity.--The amount of the
4 supplemental annuity payable pursuant to this section shall be
5 the greater of:

6 (1) 25% of the gross monthly annuity in effect on June
7 30, 2001; or

8 (2) the amount calculated by the board to restore the
9 purchasing power of annuitants' monthly annuities to equal
10 the purchasing power of the monthly annuities that the
11 retirees earned and began receiving at the time of
12 retirement.

13 (c) Payment.--The supplemental annuity provided under this
14 section shall be paid automatically unless the annuitant files a
15 written notice with the board requesting that the additional
16 monthly supplemental annuity not be paid.

17 (d) Conditions.--The supplemental annuity provided under
18 this section shall be payable under the same terms and
19 conditions as provided under the option plan in effect as of
20 January 1, 2002.

21 (e) Benefits paid to beneficiaries or survivors.--
22 Notwithstanding any other provision of law, the supplemental
23 annuity provided under this section shall be payable to a
24 beneficiary or survivor annuitant of a member who died before
25 July 2, 2002.

26 (f) Funding.--The additional liability for the increase in
27 benefits provided in this section shall be funded in equal
28 dollar annual installments over a period of ten years beginning
29 July 1, 2006.

30 (g) Eligible benefit recipient.--As used in this section,

1 the term "eligible benefit recipient" means a person who is
2 receiving a superannuation, withdrawal or disability annuity on
3 January 1, 2002, and whose most recent effective date of
4 retirement is prior to July 2, 2002, but the supplemental
5 annuities provided under this section shall not be payable to an
6 annuitant receiving a withdrawal annuity prior to the first day
7 of July coincident with or following the annuitant's attainment
8 of superannuation age.

9 Section 2. This act shall take effect immediately.