
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 876 Session of
2007

INTRODUCED BY D. EVANS, NICKOL, BOYD, BUXTON, CLYMER, COSTA,
DALEY, DePASQUALE, EACHUS, FAIRCHILD, GEORGE, JAMES,
W. KELLER, LEACH, LEVDANSKY, MAHER, McCALL, McILHATTAN,
MILLARD, R. MILLER, QUINN, SAYLOR, SIPTROTH, YUDICHAK,
GRUCELA, ROSS, McILVAINE SMITH, RUBLEY, KILLION AND NAILOR,
MARCH 22, 2007

REFERRED TO COMMITTEE ON FINANCE, MARCH 22, 2007

AN ACT

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

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

6 Section 1. Section 5508(a) of Title 71 of the Pennsylvania
7 Consolidated Statutes is amended to read:

8 § 5508. Actuarial cost method.

9 (a) Employer contribution rate on behalf of active
10 members.--The amount of the Commonwealth and other employer
11 contributions on behalf of all active members shall be computed
12 by the actuary as a percentage of the total compensation of all
13 active members during the period for which the amount is
14 determined and shall be so certified by the board. The total
15 employer contribution rate on behalf of all active members shall
16 consist of the employer normal contribution rate, as defined in

1 subsection (b), and the accrued liability contribution rate as
2 defined in subsection (c). The total employer contribution rate
3 shall be modified by the experience adjustment factor as
4 calculated in subsection (f) but in no case shall it be less
5 than zero. The total employer contribution rate shall be
6 modified by the experience adjustment factor as calculated in
7 subsection (f), but in no case shall it be less than:

8 (1) 2% for the fiscal year beginning July 1, 2004;

9 (2) 3% for the fiscal year beginning July 1, 2005; and

10 (3) 4% for the fiscal year beginning July 1, 2006, and
11 thereafter.

12 * * *

13 Section 2. This act shall take effect in 60 days.