

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1645 Session of  
2013

INTRODUCED BY GIBBONS, READSHAW, O'BRIEN, DEASY, HESS, FLECK,  
THOMAS, HARHAI, CALTAGIRONE, BROOKS, SAINATO AND COHEN,  
AUGUST 23, 2013

REFERRED TO COMMITTEE ON STATE GOVERNMENT, AUGUST 23, 2013

AN ACT

1 Amending Titles 24 (Education) and 71 (State Government) of the  
2 Pennsylvania Consolidated Statutes, providing for  
3 supplemental annuity commencing 2013.

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

6 Section 1. Title 24 of the Pennsylvania Consolidated  
7 Statutes is amended by adding a section to read:

8 § 8348.8. Supplemental annuity commencing 2013.

9 (a) Benefits.--Commencing with the first monthly annuity  
10 payment after July 1, 2013, any eligible benefit recipient shall  
11 be entitled to receive an additional monthly supplemental  
12 annuity from the system that shall be paid over a five-year  
13 period in accordance with this section. This shall be in  
14 addition to the supplemental annuities provided for in sections  
15 8348 (relating to supplemental annuities), 8348.1 (relating to  
16 additional supplemental annuities), 8348.2 (relating to further  
17 additional supplemental annuities), 8348.3 (relating to  
18 supplemental annuities commencing 1994), 8348.4 (relating to

special supplemental postretirement adjustment), 8348.5  
(relating to supplemental annuities commencing 1998), 8348.6  
(relating to supplemental annuities commencing 2002) and 8348.7  
(relating to supplemental annuities commencing 2003).

(b) Amount of additional supplemental annuity.--The amount  
of the supplemental annuity payable from July 1, 2013, through  
June 30, 2014, pursuant to this section shall be a percentage of  
the amount of the monthly annuity payment on July 1, 2013,  
determined on the basis of the most recent effective date of  
retirement as follows:

<u>Most recent effective</u>	
<u>date of retirement</u>	<u>Percentage factor</u>
<u>July 2, 2000, through July 1, 2001</u>	<u>20.0%</u>
<u>July 2, 1999, through July 1, 2000</u>	<u>24.0%</u>
<u>July 2, 1998, through July 1, 1999</u>	<u>28.0%</u>
<u>July 2, 1997, through July 1, 1998</u>	<u>32.0%</u>
<u>July 2, 1996, through July 1, 1997</u>	<u>36.0%</u>
<u>July 2, 1995, through July 1, 1996</u>	<u>40.0%</u>
<u>July 2, 1994, through July 1, 1995</u>	<u>44.0%</u>
<u>July 2, 1993, through July 1, 1994</u>	<u>48.0%</u>
<u>July 2, 1992, through July 1, 1993</u>	<u>52.0%</u>
<u>July 2, 1991, through July 1, 1992</u>	<u>56.0%</u>
<u>July 2, 1990, through July 1, 1991</u>	<u>60.0%</u>
<u>July 2, 1989, through July 1, 1990</u>	<u>64.0%</u>
<u>July 2, 1988, through July 1, 1989</u>	<u>68.0%</u>
<u>July 2, 1987, through July 1, 1988</u>	<u>72.0%</u>
<u>July 2, 1986, through July 1, 1987</u>	<u>76.0%</u>
<u>July 2, 1985, through July 1, 1986</u>	<u>80.0%</u>
<u>July 2, 1984, through July 1, 1985</u>	<u>84.0%</u>
<u>July 2, 1983, through July 1, 1984</u>	<u>88.0%</u>

1	<u>July 2, 1982, through July 1, 1983</u>	<u>92.0%</u>
2	<u>July 2, 1981, through July 1, 1982</u>	<u>96.0%</u>
3	<u>Prior to July 2, 1981</u>	<u>100.0%</u>

4 (c) Payment.--The supplemental annuity provided under this  
5 section shall be paid automatically over a five-year period at  
6 20% of the supplemental annuity amount each year unless the  
7 annuitant files a written notice with the board requesting that  
8 the additional monthly supplemental annuity not be paid.

9 (d) Conditions.--The supplemental annuity provided under  
10 this section shall be payable under the same terms and  
11 conditions as provided under the option plan in effect as of  
12 July 1, 2013.

13 (e) Benefits to beneficiaries or survivors.--No supplemental  
14 annuity provided under this section shall be payable to the  
15 beneficiary or survivor annuitant of a member who dies before  
16 July 1, 2013.

17 (f) Funding.--The additional liability for the increase in  
18 benefits provided in this section shall be funded in equal  
19 dollar annual installments over a period of ten years beginning  
20 July 1, 2013.

21 (g) Eligible benefit recipient.--As used in this section,  
22 the term "eligible benefit recipient" means a person:

23 (1) who is receiving a superannuation, withdrawal or  
24 disability annuity on July 1, 2013;

25 (2) whose most recent effective date of retirement is  
26 prior to July 1, 2001; and

27 (3) whose credited service does not include any service  
28 credited as either Class T-D, Class D-4 or Class AA service.

29 Notwithstanding the above, the supplemental annuities provided  
30 under this section shall not be payable to an annuitant

receiving a withdrawal annuity prior to the first day of July  
coincident with or following the annuitant's attainment of  
superannuation age.

Section 2. Title 71 is amended by adding a section to read:  
§ 5708.9. Supplemental annuity commencing 2013.

(a) Benefits.--Commencing with the first monthly annuity  
payment after July 1, 2013, any eligible benefit recipient shall  
be entitled to receive an additional monthly supplemental  
annuity from the system that shall be paid over a five-year  
period in accordance with this section. This shall be in  
addition to the supplemental annuities provided for in sections  
5708 (relating to supplemental annuities), 5708.1 (relating to  
additional supplemental annuities), 5708.2 (relating to further  
additional supplemental annuities), 5708.3 (relating to  
supplemental annuities commencing 1994), 5708.4 (relating to  
special supplemental postretirement adjustment), 5708.5  
(relating to supplemental annuities commencing 1998), 5708.6  
(relating to supplemental annuities commencing 2002) and 5708.7  
(relating to supplemental annuities commencing 2003).

(b) Amount of additional supplemental annuity.--The amount  
of the supplemental annuity payable from July 1, 2013, through  
June 30, 2014, pursuant to this section shall be a percentage of  
the amount of the monthly annuity payment on July 1, 2013,  
determined on the basis of the most recent effective date of  
retirement as follows:

<u>Most recent effective</u>	
<u>date of retirement</u>	<u>Percentage factor</u>
<u>July 2, 2000, through July 1, 2001</u>	<u>20.0%</u>
<u>July 2, 1999, through July 1, 2000</u>	<u>24.0%</u>

1	<u>July 2, 1998, through July 1, 1999</u>	<u>28.0%</u>
2	<u>July 2, 1997, through July 1, 1998</u>	<u>32.0%</u>
3	<u>July 2, 1996, through July 1, 1997</u>	<u>36.0%</u>
4	<u>July 2, 1995, through July 1, 1996</u>	<u>40.0%</u>
5	<u>July 2, 1994, through July 1, 1995</u>	<u>44.0%</u>
6	<u>July 2, 1993, through July 1, 1994</u>	<u>48.0%</u>
7	<u>July 2, 1992, through July 1, 1993</u>	<u>52.0%</u>
8	<u>July 2, 1991, through July 1, 1992</u>	<u>56.0%</u>
9	<u>July 2, 1990, through July 1, 1991</u>	<u>60.0%</u>
10	<u>July 2, 1989, through July 1, 1990</u>	<u>64.0%</u>
11	<u>July 2, 1988, through July 1, 1989</u>	<u>68.0%</u>
12	<u>July 2, 1987, through July 1, 1988</u>	<u>72.0%</u>
13	<u>July 2, 1986, through July 1, 1987</u>	<u>76.0%</u>
14	<u>July 2, 1985, through July 1, 1986</u>	<u>80.0%</u>
15	<u>July 2, 1984, through July 1, 1985</u>	<u>84.0%</u>
16	<u>July 2, 1983, through July 1, 1984</u>	<u>88.0%</u>
17	<u>July 2, 1982, through July 1, 1983</u>	<u>92.0%</u>
18	<u>July 2, 1981, through July 1, 1982</u>	<u>96.0%</u>
19	<u>Prior to July 2, 1981</u>	<u>100.0%</u>

20     (c) Payment.--The supplemental annuity provided under this  
21 section shall be paid automatically over a five-year period at  
22 20% of the supplemental annuity amount each year unless the  
23 annuitant files a written notice with the board requesting that  
24 the additional monthly supplemental annuity not be paid.

25     (d) Conditions.--The supplemental annuity provided under  
26 this section shall be payable under the same terms and  
27 conditions as provided under the option plan in effect as of  
28 July 1, 2013.

29     (e) Benefits to beneficiaries or survivors.--No supplemental  
30 annuity provided under this section shall be payable to the

1 beneficiary or survivor annuitant of a member who dies before  
2 July 1, 2013.

3 (f) Funding.--The additional liability for the increase in  
4 benefits provided in this section shall be funded in equal  
5 dollar annual installments over a period of ten years beginning  
6 July 1, 2013.

7 (g) Eligible benefit recipient.--As used in this section,  
8 the term "eligible benefit recipient" means a person:

9 (1) who is receiving a superannuation, withdrawal or  
10 disability annuity on July 1, 2013;

11 (2) whose most recent effective date of retirement is  
12 prior to July 1, 2001; and

13 (3) whose credited service does not include any service  
14 credited as either Class T-D, Class D-4 or Class AA service.  
15 Notwithstanding the above, the supplemental annuities provided  
16 under this section shall not be payable to an annuitant  
17 receiving a withdrawal annuity prior to the first day of July  
18 coincident with or following the annuitant's attainment of  
19 superannuation age.

20 Section 3. This act shall take effect immediately.