

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 888 Session of
2013

INTRODUCED BY KASUNIC, TARTAGLIONE, STACK, FONTANA, SOLOBAY AND
SCHWANK, APRIL 26, 2013

REFERRED TO FINANCE, APRIL 26, 2013

AN ACT

1 Amending Titles 24 (Education) and 71 (State Government) of the
2 Pennsylvania Consolidated Statutes, providing for permanent
3 biannual cost-of-living increases for retirees.

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. Biannual cost-of-living increases 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 biannual cost-of-living increases in his
12 or her monthly annuity payment. Each biannual increase shall
13 have an effective date of July 1 or December 1. The increases
14 shall be in addition to the supplemental annuities provided for
15 in sections 8348 (relating to supplemental annuities), 8348.1
16 (relating to additional supplemental annuities), 8348.2
17 (relating to further additional supplemental annuities), 8348.3
18 (relating to supplemental annuities commencing 1994), 8348.4

1 (relating to special supplemental postretirement adjustment),
2 8348.5 (relating to supplemental annuities commencing 1998),
3 8348.6 (relating to supplemental annuities commencing 2002) and
4 8348.7 (relating to supplemental annuities commencing 2003).

5 (b) Amount of cost-of-living increases.--The amount of a
6 cost-of-living increase payable under this section shall be an
7 amount equal to the increase in the Consumer Price Index for
8 Urban Wage Earners for the immediately preceding six-month
9 period.

10 (c) Payment.--The cost-of-living increases provided under
11 this section shall be paid automatically as an additional
12 monthly supplemental annuity unless the annuitant files a
13 written notice with the board requesting that the additional
14 monthly supplemental annuity not be paid.

15 (d) Conditions.--A supplemental annuity provided under this
16 section shall be payable under the same terms and conditions as
17 provided under the option plan in effect as of July 1, 2013.

18 (e) Benefits to beneficiaries or survivors.--No cost-of-
19 living increase provided under this section shall be payable to
20 the beneficiary or survivor annuitant of a member who dies
21 before July 1, 2013.

22 (f) Funding.--

23 (1) Notwithstanding section 8328 (relating to actuarial
24 cost method), the additional liability for the increase in
25 benefits provided in this section shall be funded in annual
26 installments increasing by 5% each year over a period of 20
27 years beginning July 1, 2013.

28 (2) Notwithstanding the provisions of the act of July 4,
29 2004 (P.L.1837, No.7A), known as the General Appropriation
30 Act of 2004, regarding payment for cost-of-living increases

1 for annuitants, payments for cost-of-living increases for
2 annuitants shall be made under section 8535 (relating to
3 payments to school entities by Commonwealth).

4 (g) Eligible benefit recipient.--As used in this section,
5 the term "eligible benefit recipient" means a person who is
6 receiving a superannuation, withdrawal or disability annuity on
7 July 1, 2011, and whose most recent effective date of retirement
8 is prior to July 1, 2011, but the supplemental annuities
9 provided under this section shall not be payable to an annuitant
10 receiving a withdrawal annuity prior to the first day of July
11 coincident with or following the annuitant's attainment of
12 superannuation age.

13 Section 2. Title 71 is amended by adding a section to read:
14 § 5708.9. Biannual cost-of-living increases commencing 2013.

15 (a) Benefits.--Commencing with the first monthly annuity
16 payment after June 30, 2013, any eligible benefit recipient
17 shall be entitled to receive biannual cost-of-living increases
18 in his or her monthly annuity. This shall be in addition to the
19 supplemental annuities provided for in sections 5708 (relating
20 to supplemental annuities), 5708.1 (relating to additional
21 supplemental annuities), 5708.2 (relating to further additional
22 supplemental annuities), 5708.3 (relating to supplemental
23 annuities commencing 1994), 5708.5 (relating to supplemental
24 annuities commencing 1998) 5708.6 (relating to supplemental
25 annuities commencing 2002), 5708.7 (relating to supplemental
26 annuities commencing 2003) and the special supplemental
27 postretirement adjustments provided for in sections 5708.4
28 (relating to special supplemental postretirement adjustment) and
29 5708.8 (relating to special supplemental postretirement
30 adjustment of 2002).

1 (b) Amount of cost-of-living increases.--The amount of a
2 cost-of-living increase payable under this section shall be an
3 amount equal to the increase in the Consumer Price Index for
4 Urban Wage Earners for the immediately preceding six-month
5 period.

6 (c) Payment.--The cost-of-living increases provided under
7 this section shall be paid automatically as an additional
8 monthly supplemental annuity unless the annuitant files a
9 written notice with the board requesting that the additional
10 monthly supplemental annuity not be paid.

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

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

18 (f) Funding.--Notwithstanding section 5508(e) (relating to
19 actuarial cost method), the additional liability for the
20 increase in benefits provided in this section shall be funded in
21 annual installments increasing by 5% each year over a period of
22 20 years beginning July 1, 2013.

23 (g) Eligible benefit recipient.--As used in this section,
24 the term "eligible benefit recipient" means a person who is
25 receiving a superannuation, withdrawal or disability annuity on
26 July 1, 2013, and whose most recent effective date of retirement
27 is prior to July 1, 2012, but the supplemental annuities
28 provided under this section shall not be payable to an annuitant
29 receiving a withdrawal annuity prior to the first day of July
30 coincident with or following the annuitant's attainment of

1 superannuation age.

2 Section 3. This act shall take effect immediately.