

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 239 Session of 2015

INTRODUCED BY GREINER, TOPPER, GROVE, GINGRICH, MURT, WHEELAND, A. HARRIS, EVERETT, KAUFFMAN, PYLE, GOODMAN, HELM, DIAMOND, ZIMMERMAN, HICKERNELL, MOUL, PHILLIPS-HILL, NESBIT, RADER, SAINATO AND HEFFLEY, JANUARY 28, 2015

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, APRIL 15, 2015

AN ACT

1 Amending the act of August 31, 1971 (P.L.398, No.96), entitled
2 "An act providing for the creation, maintenance and operation
3 of a county employes' retirement system, and imposing certain
4 charges on counties and providing penalties," further
5 providing for definitions and for supplemental benefits.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Section 2 of the act of August 31, 1971 (P.L.398,
9 No.96), known as the County Pension Law, is amended by adding a
10 definition to read:

11 Section 2. Definitions.--As used in this act:

12 * * *

13 (5.1) "Cost-of-living index" means the Consumer Price Index
14 for All Urban Consumers (CPI-U) for the Pennsylvania, New
15 Jersey, Delaware and Maryland area.

16 * * *

17 Section 2. Section 30(b) of the act, amended July 18, 1986

1 (P.L.1410, No.126), is amended to read:

2 Section 30. Supplemental Benefits.--* * *

3 (b) (1) The cost-of-living increase shall be reviewed at
4 least once in every three years by the board which may adjust
5 the current monthly benefit by the percentages in accordance
6 with cost-of-living index at the time of review[.], provided
7 that the adjustment need not be calculated retroactively to the
8 date of the previous cost-of-living increase approved by the
9 board under this section and need not apply the cost-of-living
10 index change for each year since the previous cost-of-living
11 increase.

12 (2) Before approving any cost-of-living adjustment, the
13 board shall have an actuarial note prepared regarding the
14 proposed adjustment. A COST-OF-LIVING ADJUSTMENT SHALL ONLY BE <--
15 PROVIDED IF THE COUNTY RETIREMENT SYSTEM CALCULATES A FUNDED
16 RATIO BASED UPON AN ENTRY AGE NORMAL METHODOLOGY OF EIGHTY PER
17 CENT OR HIGHER AFTER THE ACTUARIAL COST OF THE ADJUSTMENT IS
18 DETERMINED. ANY COUNTY RETIREMENT SYSTEM THAT UTILIZES AN
19 ACCOUNTING METHOD THAT DOES NOT DETERMINE A FUNDED RATIO BASED
20 UPON AN ENTRY AGE NORMAL METHODOLOGY SHALL, EACH YEAR, USE AN
21 ENTRY AGE NORMAL ACTUARIAL COST METHODOLOGY TO CALCULATE A
22 FUNDED RATIO IN ORDER TO DETERMINE IF THE FUND MEETS THE EIGHTY
23 PER CENT OR HIGHER FUNDING LEVEL. THE FUNDING LEVEL CALCULATION
24 SHALL BE REPORTED TO THE PUBLIC EMPLOYEE RETIREMENT COMMISSION
25 IN CONJUNCTION WITH ESTABLISHED REPORTING REQUIREMENTS.

26 Section 3. This act shall take effect in 60 days.