

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, HEFFLEY AND KORTZ, JANUARY 28, 2015

SENATOR BROWNE, APPROPRIATIONS, IN SENATE, RE-REPORTED AS
AMENDED, OCTOBER 13, 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 PERCENTAGE CHANGE IN <--
14 THE Consumer Price Index for All Urban Consumers (CPI-U) for the
15 Pennsylvania, New Jersey, Delaware and Maryland area FOR THE 12- <--
16 MONTH PERIOD ENDING ~~SEPTEMBER 30~~ AUGUST 31 FOR THE YEAR IN WHICH <--
17 THE ADJUSTMENT IS REVIEWED.

1 * * *

2 Section 2. Section 30(b) of the act, amended July 18, 1986
3 (P.L.1410, No.126), is amended to read:

4 Section 30. Supplemental Benefits.--* * *

5 (b) (1) The cost-of-living increase shall be reviewed at
6 least once in every three years by the board which may adjust
7 the current monthly benefit by the percentages in accordance
8 with cost-of-living index at the time of review[.], provided
9 that the adjustment need not be calculated retroactively to the
10 date of the previous cost-of-living increase approved by the
11 board under this section and need not apply the cost-of-living
12 index change for each year since the previous cost-of-living
13 increase. ANY ADJUSTMENT APPROVED UNDER THIS PARAGRAPH SHALL <--
14 BECOME EFFECTIVE JANUARY 1 OF THE CALENDAR YEAR FOLLOWING THE
15 YEAR IN WHICH THE ADJUSTMENT IS APPROVED.

16 (2) Before approving any cost-of-living adjustment, the
17 board shall have an actuarial note prepared regarding the
18 proposed adjustment. A cost-of-living adjustment shall only be
19 provided if the county retirement system calculates a funded
20 ratio based upon an entry age normal methodology of eighty per
21 cent or higher after the actuarial cost of the adjustment is
22 determined. Any county retirement system that utilizes an
23 accounting method that does not determine a funded ratio based
24 upon an entry age normal methodology shall, each year, use an
25 entry age normal actuarial cost methodology to calculate a
26 funded ratio in order to determine if the fund meets the eighty
27 per cent or higher funding level. The funding level calculation
28 shall be reported to the Public Employee Retirement Commission
29 in conjunction with established reporting requirements.

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