

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1608 Session of 2015

INTRODUCED BY GIBBONS, SAINATO, McNEILL, O'BRIEN, READSHAW,
COHEN AND MURT, OCTOBER 14, 2015

REFERRED TO COMMITTEE ON STATE GOVERNMENT, OCTOBER 14, 2015

AN ACT

1 Amending Titles 24 (Education) and 71 (State Government) of the
2 Pennsylvania Consolidated Statutes, in retirement for school
3 employees, providing for supplemental annuity commencing
4 2015.

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

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

9 § 8348.8. Supplemental annuity commencing 2015.

10 (a) Benefits.--Commencing with the first monthly annuity
11 payment after July 1, 2015, any eligible benefit recipient shall
12 be entitled to receive an additional monthly supplemental
13 annuity from the system that shall be paid over a five-year
14 period in accordance with this section. This shall be in
15 addition to the supplemental annuities provided for in sections
16 8348 (relating to supplemental annuities), 8348.1 (relating to
17 additional supplemental annuities), 8348.2 (relating to further
18 additional supplemental annuities), 8348.3 (relating to
19 supplemental annuities commencing 1994), 8348.4 (relating to

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

5 (b) Amount of additional supplemental annuity.--The amount
6 of the supplemental annuity payable from July 1, 2015, through
7 June 30, 2016, pursuant to this section shall be a percentage of
8 the amount of the monthly annuity payment on July 1, 2015,
9 determined on the basis of the most recent effective date of
10 retirement as follows:

11	<u>Most recent effective</u>	
12	<u>date of retirement</u>	<u>Percentage factor</u>
13	<u>July 2, 2000, through July 1, 2001</u>	<u>20.0%</u>
14	<u>July 2, 1999, through July 1, 2000</u>	<u>24.0%</u>
15	<u>July 2, 1998, through July 1, 1999</u>	<u>28.0%</u>
16	<u>July 2, 1997, through July 1, 1998</u>	<u>32.0%</u>
17	<u>July 2, 1996, through July 1, 1997</u>	<u>36.0%</u>
18	<u>July 2, 1995, through July 1, 1996</u>	<u>40.0%</u>
19	<u>July 2, 1994, through July 1, 1995</u>	<u>44.0%</u>
20	<u>July 2, 1993, through July 1, 1994</u>	<u>48.0%</u>
21	<u>July 2, 1992, through July 1, 1993</u>	<u>52.0%</u>
22	<u>July 2, 1991, through July 1, 1992</u>	<u>56.0%</u>
23	<u>July 2, 1990, through July 1, 1991</u>	<u>60.0%</u>
24	<u>July 2, 1989, through July 1, 1990</u>	<u>64.0%</u>
25	<u>July 2, 1988, through July 1, 1989</u>	<u>68.0%</u>
26	<u>July 2, 1987, through July 1, 1988</u>	<u>72.0%</u>
27	<u>July 2, 1986, through July 1, 1987</u>	<u>76.0%</u>
28	<u>July 2, 1985, through July 1, 1986</u>	<u>80.0%</u>
29	<u>July 2, 1984, through July 1, 1985</u>	<u>84.0%</u>
30	<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, 2015.

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, 2015.

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 10 years beginning
20 July 1, 2015.

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, 2015;

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

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

4 Section 2. Title 71 is amended by adding a section to read:
5 § 5708.9. Supplemental annuity commencing 2015.

6 (a) Benefits.--Commencing with the first monthly annuity
7 payment after July 1, 2015, any eligible benefit recipient shall
8 be entitled to receive an additional monthly supplemental
9 annuity from the system that shall be paid over a five-year
10 period in accordance with this section. This shall be in
11 addition to the supplemental annuities provided for in sections
12 5708 (relating to supplemental annuities), 5708.1 (relating to
13 additional supplemental annuities), 5708.2 (relating to further
14 additional supplemental annuities), 5708.3 (relating to
15 supplemental annuities commencing 1994), 5708.4 (relating to
16 special supplemental postretirement adjustment), 5708.5
17 (relating to supplemental annuities commencing 1998), 5708.6
18 (relating to supplemental annuities commencing 2002) and 5708.7
19 (relating to supplemental annuities commencing 2003).

20 (b) Amount of additional supplemental annuity.--The amount
21 of the supplemental annuity payable from July 1, 2015, through
22 June 30, 2016, pursuant to this section shall be a percentage of
23 the amount of the monthly annuity payment on July 1, 2015,
24 determined on the basis of the most recent effective date of
25 retirement as follows:

<u>Most recent effective</u>	<u>Percentage factor</u>
<u>date of retirement</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>

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

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

24 (d) Conditions.--The supplemental annuity provided under
25 this section shall be payable under the same terms and
26 conditions as provided under the option plan in effect as of
27 July 1, 2015.

28 (e) Benefits to beneficiaries or survivors.--No supplemental
29 annuity provided under this section shall be payable to the
30 beneficiary or survivor annuitant of a member who dies before

1 July 1, 2015.

2 (f) Funding.--The additional liability for the increase in
3 benefits provided in this section shall be funded in equal
4 dollar annual installments over a period of 10 years beginning
5 July 1, 2015.

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

8 (1) who is receiving a superannuation, withdrawal or
9 disability annuity on July 1, 2015;

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

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

14 Notwithstanding the above, the supplemental annuities provided
15 under this section shall not be payable to an annuitant
16 receiving a withdrawal annuity prior to the first day of July
17 coincident with or following the annuitant's attainment of
18 superannuation age.

19 Section 3. This act shall take effect immediately.