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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1513 Session of  
2017

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INTRODUCED BY MARSHALL, JUNE 7, 2017

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REFERRED TO COMMITTEE ON FINANCE, JUNE 7, 2017

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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 2017; and, in retirement for State employees and officers,  
5 providing for supplemental annuity commencing 2017.

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

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

10 § 8348.8. Supplemental annuity commencing 2017.

11 (a) Benefits.--Commencing with the first monthly annuity  
12 payment after July 1, 2017, any eligible benefit recipient shall  
13 be entitled to receive an additional monthly supplemental  
14 annuity from the system that shall be paid over a five-year  
15 period in accordance with this section. This shall be in  
16 addition to the supplemental annuities provided for under  
17 sections 8348 (relating to supplemental annuities), 8348.1  
18 (relating to additional supplemental annuities), 8348.2  
19 (relating to further additional supplemental annuities), 8348.3  
20 (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 additional supplemental annuity.--The amount  
6 of the supplemental annuity payable from July 1, 2017, through  
7 June 30, 2018, under this section shall be a percentage of the  
8 amount of the monthly annuity payment on July 1, 2017,  
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, 2017.

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, 2017.

17 (f) Funding.--The additional liability for the increase in  
18 benefits provided under this section shall be funded in equal  
19 dollar annual installments over a period of 10 years beginning  
20 July 1, 2017.

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, 2017;

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

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 and

30 (4) who did not receive a portion of his or her benefit

1 as a lump sum under section 8345(a)(4)(iii) (relating to  
2 member's options).

3 Notwithstanding the above, the supplemental annuities provided  
4 under this section shall not be payable to an annuitant  
5 receiving a withdrawal annuity prior to the first day of July  
6 coincident with or following the annuitant's attainment of  
7 superannuation age.

8 Section 2. Title 71 is amended by adding a section to read:  
9 § 5708.9. Supplemental annuity commencing 2017.

10 (a) Benefits.--Commencing with the first monthly annuity  
11 payment after July 1, 2017, 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 5708 (relating to supplemental annuities), 5708.1 (relating to  
17 additional supplemental annuities), 5708.2 (relating to further  
18 additional supplemental annuities), 5708.3 (relating to  
19 supplemental annuities commencing 1994), 5708.4 (relating to  
20 special supplemental postretirement adjustment), 5708.5  
21 (relating to supplemental annuities commencing 1998), 5708.6  
22 (relating to supplemental annuities commencing 2002) and 5708.7  
23 (relating to supplemental annuities commencing 2003).

24 (b) Amount of additional supplemental annuity.--The amount  
25 of the supplemental annuity payable from July 1, 2017, through  
26 June 30, 2018, under this section shall be a percentage of the  
27 amount of the monthly annuity payment on July 1, 2017,  
28 determined on the basis of the most recent effective date of  
29 retirement as follows:

30 Most recent effective

	<u>date of retirement</u>	<u>Percentage factor</u>
1		
2	<u>July 2, 2000, through July 1, 2001</u>	<u>20.0%</u>
3	<u>July 2, 1999, through July 1, 2000</u>	<u>24.0%</u>
4	<u>July 2, 1998, through July 1, 1999</u>	<u>28.0%</u>
5	<u>July 2, 1997, through July 1, 1998</u>	<u>32.0%</u>
6	<u>July 2, 1996, through July 1, 1997</u>	<u>36.0%</u>
7	<u>July 2, 1995, through July 1, 1996</u>	<u>40.0%</u>
8	<u>July 2, 1994, through July 1, 1995</u>	<u>44.0%</u>
9	<u>July 2, 1993, through July 1, 1994</u>	<u>48.0%</u>
10	<u>July 2, 1992, through July 1, 1993</u>	<u>52.0%</u>
11	<u>July 2, 1991, through July 1, 1992</u>	<u>56.0%</u>
12	<u>July 2, 1990, through July 1, 1991</u>	<u>60.0%</u>
13	<u>July 2, 1989, through July 1, 1990</u>	<u>64.0%</u>
14	<u>July 2, 1988, through July 1, 1989</u>	<u>68.0%</u>
15	<u>July 2, 1987, through July 1, 1988</u>	<u>72.0%</u>
16	<u>July 2, 1986, through July 1, 1987</u>	<u>76.0%</u>
17	<u>July 2, 1985, through July 1, 1986</u>	<u>80.0%</u>
18	<u>July 2, 1984, through July 1, 1985</u>	<u>84.0%</u>
19	<u>July 2, 1983, through July 1, 1984</u>	<u>88.0%</u>
20	<u>July 2, 1982, through July 1, 1983</u>	<u>92.0%</u>
21	<u>July 2, 1981, through July 1, 1982</u>	<u>96.0%</u>
22	<u>Prior to July 2, 1981</u>	<u>100.0%</u>

23 (c) Payment.--The supplemental annuity provided under this  
24 section shall be paid automatically over a five-year period at  
25 20% of the supplemental annuity amount each year unless the  
26 annuitant files a written notice with the board requesting that  
27 the additional monthly supplemental annuity not be paid.

28 (d) Conditions.--The supplemental annuity provided under  
29 this section shall be payable under the same terms and  
30 conditions as provided under the option plan in effect as of

1 July 1, 2017.

2 (e) Benefits to beneficiaries or survivors.--No supplemental  
3 annuity provided under this section shall be payable to the  
4 beneficiary or survivor annuitant of a member who dies before  
5 July 1, 2017.

6 (f) Funding.--The additional liability for the increase in  
7 benefits provided under this section shall be funded in equal  
8 dollar annual installments over a period of 10 years beginning  
9 July 1, 2017.

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

12 (1) who is receiving a superannuation, withdrawal or  
13 disability annuity on July 1, 2017;

14 (2) whose most recent effective date of retirement is  
15 prior to July 1, 2001;

16 (3) whose credited service does not include any service  
17 credited as either Class T-D, Class D-4 or Class AA service;  
18 and

19 (4) who did not receive a portion of his or her benefit  
20 as a lump sum under section 5705(a)(4)(iii) (relating to  
21 member's options).

22 Notwithstanding the above, the supplemental annuities provided  
23 under this section shall not be payable to an annuitant  
24 receiving a withdrawal annuity prior to the first day of July  
25 coincident with or following the annuitant's attainment of  
26 superannuation age.

27 Section 3. This act shall take effect immediately.