

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 887 Session of 2013

INTRODUCED BY KASUNIC, TARTAGLIONE, STACK, FONTANA, ERICKSON,  
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 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. Supplemental annuities 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 a further additional monthly supplemental  
12 annuity from the system. This shall be in addition to the  
13 supplemental annuities provided for in sections 8348 (relating  
14 to supplemental annuities), 8348.1 (relating to additional  
15 supplemental annuities), 8348.2 (relating to further additional  
16 supplemental annuities), 8348.3 (relating to supplemental  
17 annuities commencing 1994), 8348.4 (relating to special  
18 supplemental postretirement adjustment), 8348.5 (relating to

1 supplemental annuities commencing 1998), 8348.6 (relating to  
2 supplemental annuities commencing 2002) and 8348.7 (relating to  
3 supplemental annuities commencing 2003).

4 (b) Amount of supplemental annuity.--The amount of the  
5 supplemental annuity payable pursuant to this section shall be  
6 an amount equal to the increase in the Consumer Price Index for  
7 Urban Wage Earners for the immediately preceding calendar year.

8 (c) Payment.--The supplemental annuity provided under this  
9 section shall be paid automatically unless the annuitant files a  
10 written notice with the board requesting that the additional  
11 monthly supplemental annuity not be paid.

12 (d) Conditions.--The supplemental annuity provided under  
13 this section shall be payable under the same terms and  
14 conditions as provided under the option plan in effect as of  
15 July 1, 2011.

16 (e) Benefits to beneficiaries or survivors.--No supplemental  
17 annuity provided under this section shall be payable to the  
18 beneficiary or survivor annuitant of a member who dies before  
19 July 1, 2011.

20 (f) Funding.--

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

26 (2) Notwithstanding the provisions of the act of July 1,  
27 2004 (P.L.1837, No.7A), known as the General Appropriation  
28 Act of 2004, regarding payment for cost-of-living increases  
29 for annuitants, payments for cost-of-living increases for  
30 annuitants shall be made under section 8535 (relating to

1 payments to school entities by Commonwealth).

2 (g) Eligible benefit recipient.--As used in this section,  
3 the term "eligible benefit recipient" means a person who is  
4 receiving a superannuation, withdrawal or disability annuity on  
5 July 1, 2013, and whose most recent effective date of retirement  
6 is prior to July 1, 2012, but the supplemental annuities  
7 provided under this section shall not be payable to an annuitant  
8 receiving a withdrawal annuity prior to the first day of July  
9 coincident with or following the annuitant's attainment of  
10 superannuation age.

11 Section 2. Title 71 is amended by adding a section to read:  
12 § 5708.9. Supplemental annuities commencing 2013.

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

29 (b) Amount of supplemental annuity.--The amount of the  
30 supplemental annuity payable pursuant to this section shall be

1 an amount equal to the increase in the Consumer Price Index for  
2 Urban Wage Earners for the immediately preceding calendar year.

3 (c) Payment.--The supplemental annuity provided under this  
4 section shall be paid automatically unless the annuitant files a  
5 written notice with the board requesting that the additional  
6 monthly supplemental annuity not be paid.

7 (d) Conditions.--The supplemental annuity provided under  
8 this section shall be payable under the same terms and  
9 conditions as provided under the option plan in effect as of  
10 July 1, 2007.

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

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

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

29 Section 3. This act shall take effect immediately.