

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 411 Session of 2025

INTRODUCED BY MALAGARI, DEASY, PROBST, WAXMAN, HILL-EVANS,
 PIELLI, ISAACSON, McNEILL, GIRAL, KENYATTA, KHAN, RABB,
 HARKINS, WEBSTER, DOUGHERTY, GUENST, FREEMAN, HANBIDGE,
 MAYES, OTTEN, SANCHEZ, SCHLOSSBERG, POWELL, DONAHUE, VENKAT,
 D. MILLER, HOHENSTEIN, HADDOCK AND BOYD, JANUARY 29, 2025

REFERRED TO COMMITTEE ON STATE GOVERNMENT, JANUARY 29, 2025

AN ACT

1 Amending Titles 24 (Education) and 71 (State Government) of the
 2 Pennsylvania Consolidated Statutes, in membership,
 3 contributions and benefits, providing for supplemental
 4 annuity commencing 2025; and, in benefits, providing for
 5 supplemental annuity commencing 2025.

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 2025.

11 (a) Benefits.--Commencing with the first monthly annuity
 12 payment after July 1, 2025, an eligible benefit recipient shall
 13 be entitled to receive an additional monthly supplemental
 14 annuity from the system. The additional monthly supplemental
 15 annuity under this section shall be in addition to the
 16 supplemental annuities provided for under sections 8348
 17 (relating to supplemental annuities), 8348.1 (relating to
 18 additional supplemental annuities), 8348.2 (relating to further

1 additional supplemental annuities), 8348.3 (relating to
2 supplemental annuities commencing 1994), 8348.4 (relating to
3 special supplemental postretirement adjustment), 8348.5
4 (relating to supplemental annuities commencing 1998), 8348.6
5 (relating to supplemental annuities commencing 2002) and 8348.7
6 (relating to supplemental annuities commencing 2003).

7 (b) Amount of additional supplemental annuity.--The amount
8 of the supplemental annuity payable under this section shall be
9 a percentage of the amount of the monthly annuity payment on
10 July 1, 2025, determined on the basis of the most recent
11 effective date of retirement as follows:

<u>Most recent effective date</u>	<u>Percentage factor</u>
<u>of retirement</u>	
<u>July 2, 2000, through July 1, 2001</u>	<u>15%</u>
<u>July 2, 1999, through July 1, 2000</u>	<u>15.5%</u>
<u>July 2, 1998, through July 1, 1999</u>	<u>16%</u>
<u>July 2, 1997, through July 1, 1998</u>	<u>16.5%</u>
<u>July 2, 1996, through July 1, 1997</u>	<u>17%</u>
<u>July 2, 1995, through July 1, 1996</u>	<u>17.5%</u>
<u>July 2, 1994, through July 1, 1995</u>	<u>18%</u>
<u>July 2, 1993, through July 1, 1994</u>	<u>18.5%</u>
<u>July 2, 1992, through July 1, 1993</u>	<u>19%</u>
<u>July 2, 1991, through July 1, 1992</u>	<u>19.5%</u>
<u>July 2, 1990, through July 1, 1991</u>	<u>20%</u>
<u>July 2, 1989, through July 1, 1990</u>	<u>20.5%</u>
<u>July 2, 1988, through July 1, 1989</u>	<u>21%</u>
<u>July 2, 1987, through July 1, 1988</u>	<u>21.5%</u>
<u>July 2, 1986, through July 1, 1987</u>	<u>22%</u>
<u>July 2, 1985, through July 1, 1986</u>	<u>22.5%</u>
<u>July 2, 1984, through July 1, 1985</u>	<u>23%</u>

1	<u>July 2, 1983, through July 1, 1984</u>	<u>23.5%</u>
2	<u>July 2, 1982, through July 1, 1983</u>	<u>24%</u>
3	<u>Prior to July 2, 1982</u>	<u>24.5%</u>

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

8 (d) Conditions.--The supplemental annuity provided under
9 this section shall be payable under the same terms and
10 conditions as provided under the option plan in effect as of
11 July 1, 2025, and shall be subject to any subsequent
12 modification of that option plan.

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, 2025, or the effective date of this subsection,
17 whichever is later.

18 (f) Funding.--The additional liability for the increase in
19 benefits provided under this section shall be funded in equal
20 dollar annual installments over a period of 10 years beginning
21 July 1, 2026, unless a different funding source is otherwise
22 provided by State law.

23 (g) Eligible benefit recipient.--

24 (1) An eligible benefit recipient is an individual:

25 (i) who is receiving a superannuation, withdrawal or
26 disability annuity on July 1, 2025;

27 (ii) whose most recent effective date of retirement
28 is prior to July 2, 2001;

29 (iii) whose credited service does not include any
30 service credited as either Class T-D, Class D-4 or Class

1 AA service; and

2 (iv) who has not died before the effective date of
3 this subparagraph.

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

8 Section 2. Title 71 is amended by adding a section to read:
9 § 5708.9. Supplemental annuity commencing 2025.

10 (a) Benefits.--Commencing with the first monthly annuity
11 payment after July 1, 2025, an eligible benefit recipient shall
12 be entitled to receive an additional monthly supplemental
13 annuity from the system. The additional monthly supplemental
14 annuity under this section shall be in addition to the
15 supplemental annuities provided for under sections 5708
16 (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), 5708.7
23 (relating to supplemental annuities commencing 2003) and 5708.8
24 (relating to special supplemental postretirement adjustment of
25 2002).

26 (b) Amount of additional supplemental annuity.--The amount
27 of the supplemental annuity under this section shall be a
28 percentage of the amount of the monthly annuity payment on July
29 1, 2025, determined on the basis of the most recent effective
30 date of retirement as follows:

<u>Most recent effective date</u>	<u>Percentage factor</u>
<u>of retirement</u>	
<u>July 2, 2000, through July 1, 2001</u>	<u>15%</u>
<u>July 2, 1999, through July 1, 2000</u>	<u>15.5%</u>
<u>July 2, 1998, through July 1, 1999</u>	<u>16%</u>
<u>July 2, 1997, through July 1, 1998</u>	<u>16.5%</u>
<u>July 2, 1996, through July 1, 1997</u>	<u>17%</u>
<u>July 2, 1995, through July 1, 1996</u>	<u>17.5%</u>
<u>July 2, 1994, through July 1, 1995</u>	<u>18%</u>
<u>July 2, 1993, through July 1, 1994</u>	<u>18.5%</u>
<u>July 2, 1992, through July 1, 1993</u>	<u>19%</u>
<u>July 2, 1991, through July 1, 1992</u>	<u>19.5%</u>
<u>July 2, 1990, through July 1, 1991</u>	<u>20%</u>
<u>July 2, 1989, through July 1, 1990</u>	<u>20.5%</u>
<u>July 2, 1988, through July 1, 1989</u>	<u>21%</u>
<u>July 2, 1987, through July 1, 1988</u>	<u>21.5%</u>
<u>July 2, 1986, through July 1, 1987</u>	<u>22%</u>
<u>July 2, 1985, through July 1, 1986</u>	<u>22.5%</u>
<u>July 2, 1984, through July 1, 1985</u>	<u>23%</u>
<u>July 2, 1983, through July 1, 1984</u>	<u>23.5%</u>
<u>July 2, 1982, through July 1, 1983</u>	<u>24%</u>
<u>Prior to July 2, 1982</u>	<u>24.5%</u>

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

(d) Conditions.--The supplemental annuity provided under this section shall be payable under the same terms and conditions as provided under the option plan in effect as of July 1, 2025, and shall be subject to any subsequent

1 modification of that option plan.

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, 2025, or the effective date of this subsection,
6 whichever is later.

7 (f) Funding.--The additional liability for the increase in
8 benefits provided under this section shall be funded in equal
9 dollar annual installments over a period of 10 years beginning
10 July 1, 2026, unless a different funding source is otherwise
11 provided by State law.

12 (g) Eligible benefit recipient.--

13 (1) An eligible benefit recipient is an individual:

14 (i) who is receiving a superannuation, withdrawal or
15 disability annuity on July 1, 2025;

16 (ii) whose most recent effective date of retirement
17 is prior to July 2, 2001;

18 (iii) whose credited service does not include any
19 service credited as either Class T-D, Class D-4 or Class
20 AA service; and

21 (iv) who has not died before the effective date of
22 this subparagraph.

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

27 Section 3. This act shall take effect immediately.