

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 129 Session of 2015

INTRODUCED BY WILEY, EICHELBERGER, BLAKE, COSTA, HUGHES, WILLIAMS, FONTANA, YUDICHAK, BOSCOLA, BROWNE, ARGALL, GORDNER, GREENLEAF, HUTCHINSON, VOGEL, VULAKOVICH, WARD, BREWSTER, KITCHEN, SCHWANK, SMITH, TARTAGLIONE, AUMENT AND BROOKS, JANUARY 29, 2015

AS AMENDED ON THIRD CONSIDERATION, JUNE 25, 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 Consumer Price Index
14 for All Urban Consumers (CPI-U) for the Pennsylvania, New
15 Jersey, Delaware and Maryland area.

16 * * *

17 Section 2. Section 30(b) of the act, amended July 18, 1986
18 (P.L.1410, No.126), is amended AND THE SECTION IS AMENDED BY

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1 ADDING A SUBSECTION to read:

2 Section 30. Supplemental Benefits.--* * *

3 (b) The cost-of-living increase shall be reviewed at least
4 once in every three years by the board which may adjust the
5 current monthly benefit by the percentages in accordance with
6 cost-of-living index at the time of review[.], provided that the
7 adjustment need not be calculated retroactively to the date of
8 the previous cost-of-living increase approved by the board under
9 this section and need not apply the cost-of-living index change
10 for each year since such previous cost-of-living increase.

11 (C) BEFORE APPROVING ANY COST-OF-LIVING ADJUSTMENT, THE <--
12 BOARD SHALL HAVE AN ACTUARIAL NOTE PREPARED REGARDING THE
13 PROPOSED ADJUSTMENT. A COST-OF-LIVING ADJUSTMENT SHALL ONLY BE
14 PROVIDED IF THE COUNTY RETIREMENT SYSTEM CALCULATES A FUNDED
15 RATIO BASED UPON AN ENTRY AGE NORMAL METHODOLOGY OF EIGHTY PER
16 CENT OR HIGHER AFTER THE ACTUARIAL COST OF THE ADJUSTMENT IS
17 DETERMINED. ANY COUNTY RETIREMENT SYSTEM THAT UTILIZES AN
18 ACCOUNTING METHOD THAT DOES NOT DETERMINE A FUNDED RATIO BASED
19 UPON AN ENTRY AGE NORMAL METHODOLOGY SHALL, EACH YEAR, USE AN
20 ENTRY AGE NORMAL ACTUARIAL COST METHODOLOGY TO CALCULATE A
21 FUNDED RATIO IN ORDER TO DETERMINE IF THE FUND MEETS THE EIGHTY
22 PER CENT OR HIGHER FUNDING LEVEL. THE FUNDING LEVEL CALCULATION
23 SHALL BE REPORTED TO THE PUBLIC EMPLOYEE RETIREMENT COMMISSION
24 IN CONJUNCTION WITH ESTABLISHED REPORTING REQUIREMENTS.

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