

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 952 Session of 2023

INTRODUCED BY MUTH, KANE, TARTAGLIONE, FONTANA, SCHWANK,
CAPPELLETTI, BREWSTER AND COSTA, OCTOBER 3, 2023

REFERRED TO FINANCE, OCTOBER 3, 2023

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 2023; and, in benefits, providing for
5 supplemental annuity commencing 2023.

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 2023.

11 (a) Benefits.--Commencing with the first monthly annuity
12 payment after July 1, 2023, 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
19 additional supplemental annuities), 8348.3 (relating to

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

6 (b) Amount of additional supplemental annuity.--The amount
7 of the supplemental annuity payable under this section shall be
8 a percentage of the amount of the monthly annuity payment on
9 July 1, 2023, determined on the basis of the most recent
10 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> |
| <u>July 2, 1983, through July 1, 1984</u> | <u>23.5%</u> |

1 July 2, 1982, through July 1, 1983 24%

2 Prior to July 2, 1982 24.5%

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, 2023, and shall be subject to any subsequent
11 modification of that option plan.

12 (e) Benefits to beneficiaries or survivors.--No supplemental
13 annuity provided under this section shall be payable to the
14 beneficiary or survivor annuitant of a member who dies before
15 July 1, 2023.

16 (f) Funding.--Notwithstanding any other provision of law to
17 the contrary, the additional liability for the increase in
18 benefits provided under this section shall be funded by the
19 Commonwealth in equal dollar annual installments over a period
20 of 10 years beginning July 1, 2024.

21 (g) Eligible benefit recipient.--

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

23 (i) who is receiving a superannuation, withdrawal or
24 disability annuity on July 1, 2023;

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

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

30 (2) A supplemental annuity provided under this section

1 shall not be payable to an annuitant receiving a withdrawal
2 annuity prior to the first day of July coincident with or
3 following the annuitant's attainment of superannuation age.

4 Section 2. Title 71 is amended by adding a section to read:
5 § 5708.9. Supplemental annuity commencing 2023.

6 (a) Benefits.--Commencing with the first monthly annuity
7 payment after January 1, 2024, an eligible benefit recipient
8 shall be entitled to receive an additional monthly supplemental
9 annuity from the system. The additional monthly supplemental
10 annuity under this section shall be in addition to the
11 supplemental annuities provided for under sections 5708
12 (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), 5708.7
19 (relating to supplemental annuities commencing 2003) and 5708.8
20 (relating to special supplemental postretirement adjustment of
21 2002).

22 (b) Amount of additional supplemental annuity.--The amount
23 of the supplemental annuity under this section shall be a
24 percentage of the amount of the monthly annuity payment on
25 January 1, 2024, determined on the basis of the most recent
26 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> |

| | | |
|----|---|-------|
| 1 | <u>July 2, 1998, through July 1, 1999</u> | 16% |
| 2 | <u>July 2, 1997, through July 1, 1998</u> | 16.5% |
| 3 | <u>July 2, 1996, through July 1, 1997</u> | 17% |
| 4 | <u>July 2, 1995, through July 1, 1996</u> | 17.5% |
| 5 | <u>July 2, 1994, through July 1, 1995</u> | 18% |
| 6 | <u>July 2, 1993, through July 1, 1994</u> | 18.5% |
| 7 | <u>July 2, 1992, through July 1, 1993</u> | 19% |
| 8 | <u>July 2, 1991, through July 1, 1992</u> | 19.5% |
| 9 | <u>July 2, 1990, through July 1, 1991</u> | 20% |
| 10 | <u>July 2, 1989, through July 1, 1990</u> | 20.5% |
| 11 | <u>July 2, 1988, through July 1, 1989</u> | 21% |
| 12 | <u>July 2, 1987, through July 1, 1988</u> | 21.5% |
| 13 | <u>July 2, 1986, through July 1, 1987</u> | 22% |
| 14 | <u>July 2, 1985, through July 1, 1986</u> | 22.5% |
| 15 | <u>July 2, 1984, through July 1, 1985</u> | 23% |
| 16 | <u>July 2, 1983, through July 1, 1984</u> | 23.5% |
| 17 | <u>July 2, 1982, through July 1, 1983</u> | 24% |
| 18 | <u>Prior to July 2, 1982</u> | 24.5% |

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

23 (d) Conditions.--The supplemental annuity provided under
24 this section shall be payable under the same terms and
25 conditions as provided under the option plan in effect as of
26 January 1, 2024, and shall be subject to any subsequent
27 modification of that option plan.

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 January 1, 2024.

2 (f) Funding.--Notwithstanding any other provision of law to
3 the contrary, the additional liability for the increase in
4 benefits provided under this section shall be funded in equal
5 dollar annual installments over a period of 10 years beginning
6 July 1, 2024.

7 (g) Eligible benefit recipient.--

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

9 (i) who is receiving a superannuation, withdrawal or
10 disability annuity on January 1, 2024;

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

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

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

20 Section 3. This act shall take effect immediately.