

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1029 Session of
2024

INTRODUCED BY KANE, MUTH, TARTAGLIONE, FONTANA, SCHWANK,
CAPPELLETTI, BREWSTER, COSTA AND DILLON, JANUARY 12, 2024

REFERRED TO FINANCE, JANUARY 12, 2024

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 for supplemental annuity
5 commencing 2024; and, in benefits, providing for supplemental
6 annuity commencing 2023 and for supplemental annuity
7 commencing 2024.

8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 Section 1. Title 24 of the Pennsylvania Consolidated
11 Statutes is amended by adding sections to read:

12 § 8348.8. Supplemental annuity commencing 2023.

13 (a) Benefits.--Commencing with the first monthly annuity
14 payment after July 1, 2023, an eligible benefit recipient shall
15 be entitled to receive an additional monthly supplemental
16 annuity from the system. The additional monthly supplemental
17 annuity under this section shall be in addition to the
18 supplemental annuities provided for under sections 8348
19 (relating to supplemental annuities), 8348.1 (relating to
20 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), 8348.7
6 (relating to supplemental annuities commencing 2003) and 8348.9
7 (relating to supplemental annuity commencing 2024).

8 (b) Amount of additional supplemental annuity.--The amount
9 of the supplemental annuity payable under this section shall be
10 a percentage of the amount of the monthly annuity payment on
11 July 1, 2023, determined on the basis of the most recent
12 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>4.5%</u> |
| <u>July 2, 1999, through July 1, 2000</u> | <u>5%</u> |
| <u>July 2, 1998, through July 1, 1999</u> | <u>5.5%</u> |
| <u>July 2, 1997, through July 1, 1998</u> | <u>6%</u> |
| <u>July 2, 1996, through July 1, 1997</u> | <u>6.5%</u> |
| <u>July 2, 1995, through July 1, 1996</u> | <u>7%</u> |
| <u>July 2, 1994, through July 1, 1995</u> | <u>7.5%</u> |
| <u>July 2, 1993, through July 1, 1994</u> | <u>8%</u> |
| <u>July 2, 1992, through July 1, 1993</u> | <u>8.5%</u> |
| <u>July 2, 1991, through July 1, 1992</u> | <u>9%</u> |
| <u>July 2, 1990, through July 1, 1991</u> | <u>9.5%</u> |
| <u>July 2, 1989, through July 1, 1990</u> | <u>10%</u> |
| <u>July 2, 1988, through July 1, 1989</u> | <u>10.5%</u> |
| <u>July 2, 1987, through July 1, 1988</u> | <u>11%</u> |
| <u>July 2, 1986, through July 1, 1987</u> | <u>11.5%</u> |
| <u>July 2, 1985, through July 1, 1986</u> | <u>12%</u> |

| | | |
|---|---|--------------|
| 1 | <u>July 2, 1984, through July 1, 1985</u> | <u>12.5%</u> |
| 2 | <u>July 2, 1983, through July 1, 1984</u> | <u>13%</u> |
| 3 | <u>July 2, 1982, through July 1, 1983</u> | <u>13.5%</u> |
| 4 | <u>Prior to July 2, 1982</u> | <u>14%</u> |

5 (c) Payment.--The supplemental annuity provided under this
6 section shall be paid automatically unless the annuitant files a
7 written notice with the board requesting that the additional
8 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, 2023, and shall be subject to any subsequent
13 modification of that option plan.

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

18 (f) Funding.--

19 (1) Notwithstanding any other provision of law to the
20 contrary, the additional liability for the increase in
21 benefits provided under this section shall be funded in equal
22 dollar annual installments over a period of 10 years
23 beginning July 1, 2024.

24 (2) The additional liability for the increase in
25 benefits provided under this section shall be paid by the
26 Commonwealth. A school district of any class, intermediate
27 unit or an area career and technical school under the act of
28 March 10, 1949 (P.L.30, No.14), known as the Public School
29 Code of 1949, shall not be liable for the increase in
30 benefits provided under this section.

1 (g) Eligible benefit recipient.--

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

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

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

7 (iii) whose credited service does not include any
8 service credited as either Class T-D, Class D-4 or Class
9 AA service.

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

14 § 8348.9. Supplemental annuity commencing 2024.

15 (a) Benefits.--Commencing with the first monthly annuity
16 payment after July 1, 2024, any eligible benefit recipient shall
17 be entitled to receive an additional monthly supplemental
18 annuity from the system. This shall be in addition to the
19 supplemental annuities provided for in sections 8348 (relating
20 to supplemental annuities), 8348.1 (relating to additional
21 supplemental annuities), 8348.2 (relating to further additional
22 supplemental annuities), 8348.3 (relating to supplemental
23 annuities commencing 1994), 8348.4 (relating to special
24 supplemental postretirement adjustment), 8348.5 (relating to
25 supplemental annuities commencing 1998), 8348.7 (relating to
26 supplemental annuities commencing 2003) and 8348.8 (relating to
27 supplemental annuity commencing 2023).

28 (b) Amount of supplemental annuity.--

29 (1) Except as provided under paragraph (2), the amount
30 of the supplemental annuity payable under this section shall

1 be equal to the average percentage increase in the Consumer
2 Price Index for All Urban Consumers (CPI-U) for the
3 Pennsylvania, New Jersey, Delaware and Maryland area during
4 the prior calendar year. The supplemental annuity payable
5 under this section shall apply with the first monthly annuity
6 payment after July 1, 2024, and shall be adjusted every three
7 years thereafter in accordance with the average percentage
8 increase in the Consumer Price Index for All Urban Consumers
9 (CPI-U) for the Pennsylvania, New Jersey, Delaware and
10 Maryland area during the prior calendar year.

11 (2) The amount of the supplemental annuity payable under
12 this section and calculated under paragraph (1) may not
13 exceed 7% of the amount of the monthly annuity payment or be
14 less than 1% of the amount of the monthly annuity payment
15 after July 1, 2024.

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

20 (d) Conditions.--The supplemental annuity provided under
21 this section shall be payable under the same terms and
22 conditions as provided under the option plan in effect as of
23 July 1, 2024.

24 (e) Benefits to beneficiaries or survivors.--No supplemental
25 annuity provided under this section shall be payable to the
26 beneficiary or survivor annuitant of a member who dies before
27 July 1, 2024.

28 (f) Funding.--

29 (1) Notwithstanding any other provision of law to the
30 contrary, the additional liability for the increase in

1 benefits provided under this section shall be funded in equal
2 dollar annual installments over a period of 10 years
3 beginning July 1, 2025.

4 (2) The additional liability for the increase in
5 benefits provided under this section shall be paid by the
6 Commonwealth. A school district of any class, intermediate
7 unit or an area career and technical school under the act of
8 March 10, 1949 (P.L.30, No.14), known as the Public School
9 Code of 1949, shall not be liable for the increase in
10 benefits provided under this section.

11 (g) Eligible benefit recipient.--

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

13 (i) who is receiving a superannuation, withdrawal or
14 disability annuity on July 1, 2024; and

15 (ii) whose credited service does not include any
16 service credited as either Class T-D, Class D-4 or Class
17 AA service.

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

22 Section 2. Title 71 is amended by adding sections to read:

23 § 5708.9. Supplemental annuity commencing 2023.

24 (a) Benefits.--Commencing with the first monthly annuity
25 payment after January 1, 2024, an eligible benefit recipient
26 shall be entitled to receive an additional monthly supplemental
27 annuity from the system. The additional monthly supplemental
28 annuity under this section shall be in addition to the
29 supplemental annuities provided for under sections 5708
30 (relating to supplemental annuities), 5708.1 (relating to

1 additional supplemental annuities), 5708.2 (relating to further
2 additional supplemental annuities), 5708.3 (relating to
3 supplemental annuities commencing 1994), 5708.4 (relating to
4 special supplemental postretirement adjustment), 5708.5
5 (relating to supplemental annuities commencing 1998), 5708.6
6 (relating to supplemental annuities commencing 2002), 5708.7
7 (relating to supplemental annuities commencing 2003), 5708.8
8 (relating to special supplemental postretirement adjustment of
9 2002) and 5708.10 (relating to supplemental annuity commencing
10 2024).

11 (b) Amount of additional supplemental annuity.--The amount
12 of the supplemental annuity under this section shall be a
13 percentage of the amount of the monthly annuity payment on
14 January 1, 2024, determined on the basis of the most recent
15 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>4.5%</u> |
| <u>July 2, 1999, through July 1, 2000</u> | <u>5%</u> |
| <u>July 2, 1998, through July 1, 1999</u> | <u>5.5%</u> |
| <u>July 2, 1997, through July 1, 1998</u> | <u>6%</u> |
| <u>July 2, 1996, through July 1, 1997</u> | <u>6.5%</u> |
| <u>July 2, 1995, through July 1, 1996</u> | <u>7%</u> |
| <u>July 2, 1994, through July 1, 1995</u> | <u>7.5%</u> |
| <u>July 2, 1993, through July 1, 1994</u> | <u>8%</u> |
| <u>July 2, 1992, through July 1, 1993</u> | <u>8.5%</u> |
| <u>July 2, 1991, through July 1, 1992</u> | <u>9%</u> |
| <u>July 2, 1990, through July 1, 1991</u> | <u>9.5%</u> |
| <u>July 2, 1989, through July 1, 1990</u> | <u>10%</u> |
| <u>July 2, 1988, through July 1, 1989</u> | <u>10.5%</u> |

| | | |
|---|---|--------------|
| 1 | <u>July 2, 1987, through July 1, 1988</u> | <u>11%</u> |
| 2 | <u>July 2, 1986, through July 1, 1987</u> | <u>11.5%</u> |
| 3 | <u>July 2, 1985, through July 1, 1986</u> | <u>12%</u> |
| 4 | <u>July 2, 1984, through July 1, 1985</u> | <u>12.5%</u> |
| 5 | <u>July 2, 1983, through July 1, 1984</u> | <u>13%</u> |
| 6 | <u>July 2, 1982, through July 1, 1983</u> | <u>13.5%</u> |
| 7 | <u>Prior to July 2, 1982</u> | <u>14%</u> |

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 January 1, 2024, and shall be subject to any subsequent
16 modification of that option plan.

17 (e) Benefits to beneficiaries or survivors.--No supplemental
18 annuity provided under this section shall be payable to the
19 beneficiary or survivor annuitant of a member who dies before
20 January 1, 2024.

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

26 (g) Eligible benefit recipient.--

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

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

30 (ii) whose most recent effective date of retirement

1 is prior to July 2, 2001; and

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

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

9 § 5708.10. Supplemental annuity commencing 2024.

10 (a) Benefits.--Commencing with the first monthly annuity
11 payment after January 1, 2025, an eligible benefit recipient
12 shall 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), 5708.8
24 (relating to special supplemental postretirement adjustment of
25 2002) and 5708.9 (relating to supplemental annuity commencing
26 2023).

27 (b) Amount of supplemental annuity.--

28 (1) Except as provided under paragraph (2), the amount
29 of the supplemental annuity under this section shall be equal
30 to the average percentage increase in the Consumer Price

1 Index for All Urban Consumers (CPI-U) for the Pennsylvania,
2 New Jersey, Delaware and Maryland area during the prior
3 calendar year. The supplemental annuity under this section
4 shall apply with the first monthly annuity payment after
5 January 1, 2025, and shall be adjusted every three years
6 thereafter in accordance with the average percentage increase
7 in the Consumer Price Index for All Urban Consumers (CPI-U)
8 for the Pennsylvania, New Jersey, Delaware and Maryland area
9 during the prior calendar year.

10 (2) The amount of the supplemental annuity under this
11 section and calculated under paragraph (1) may not exceed 7%
12 of the amount of the monthly annuity payment or be less than
13 1% of the amount of the monthly annuity payment after January
14 1, 2025.

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

19 (d) Conditions.--The supplemental annuity provided under
20 this section shall be payable under the same terms and
21 conditions as provided under the option plan in effect as of
22 January 1, 2025, and shall be subject to any subsequent
23 modification of that option plan.

24 (e) Benefits to beneficiaries or survivors.--No supplemental
25 annuity provided under this section shall be payable to the
26 beneficiary or survivor annuitant of a member who dies before
27 January 1, 2025.

28 (f) Funding.--Notwithstanding any other provision of law to
29 the contrary, the additional liability for the increase in
30 benefits provided under this section shall be funded in equal

1 dollar annual installments over a period of 10 years beginning
2 July 1, 2025.

3 (g) Eligible benefit recipient.--

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

5 (i) who is receiving a superannuation, withdrawal or
6 disability annuity on January 1, 2025; and

7 (ii) whose credited service does not include any
8 service credited as either Class T-D, Class D-4 or Class
9 AA service.

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

14 Section 3. This act shall take effect immediately.