PRIOR PRINTER'S NO. 383 PRINTER'S NO. 985

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, BOYD, DAVIDSON, PARKER, CERRATO, NEILSON, D. WILLIAMS, O'MARA, INGLIS, CURRY, CIRESI, WARREN, SHUSTERMAN AND STEELE, JANUARY 29, 2025

AS REPORTED FROM COMMITTEE ON STATE GOVERNMENT, HOUSE OF REPRESENTATIVES, AS AMENDED, MARCH 17, 2025

AN ACT

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

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

Section 1. Title 24 of the Pennsylvania Consolidated Statutes is amended by adding a section to read:

§ 8348.8. Supplemental annuity commencing 2025.

(a) Benefits.--Commencing with the first monthly annuity payment after July 1, 2025, an eligible benefit recipient shall be entitled to receive an additional monthly supplemental annuity from the system. The additional monthly supplemental annuity under this section shall be in addition to the supplemental annuities provided for under sections 8348 (relating to supplemental annuities), 8348.1 (relating to additional supplemental annuities), 8348.2 (relating to further additional supplemental annuities), 8348.3 (relating to supplemental annuities commencing 1994), 8348.4 (relating to special supplemental postretirement adjustment), 8348.5 (relating to supplemental annuities commencing 1998), 8348.6 (relating to supplemental annuities commencing 2002) and 8348.7 (relating to supplemental annuities commencing 2003).

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

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

July 2, 1985, through July 1, 1986	22.5%
July 2, 1984, through July 1, 1985	23%
July 2, 1983, through July 1, 1984	23.5%
July 2, 1982, through July 1, 1983	24%
Prior to July 2, 1982	24.5%

(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 modification of that option plan.

(e) Benefits to beneficiaries or survivors.--No supplemental annuity provided under this section shall be payable to the beneficiary or survivor annuitant of a member who dies before July 1, 2025, or the effective date of this subsection, whichever is later.

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

(g) Eligible benefit recipient.--

(1) An eligible benefit recipient is an individual:

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

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

(iii) whose credited service does not include any service credited as ~~either Class T-D, Class D-4 or Class AA service; and~~ CLASS T-D SERVICE; <--

(III.1) WHO IS NOT A MULTIPLE SERVICE MEMBER WITH CLASS D-4 OR CLASS AA SERVICE CREDITED IN THE STATE EMPLOYEES' RETIREMENT SYSTEM; AND

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

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

Section 2. Title 71 is amended by adding a section to read:

§ 5708.9. Supplemental annuity commencing 2025.

(a) Benefits.--Commencing with the first monthly annuity payment after July 1, 2025, an eligible benefit recipient shall be entitled to receive an additional monthly supplemental annuity from the system. The additional monthly supplemental annuity under this section shall be in addition to the supplemental annuities provided for under sections 5708 (relating to supplemental annuities), 5708.1 (relating to additional supplemental annuities), 5708.2 (relating to further additional supplemental annuities), 5708.3 (relating to supplemental annuities commencing 1994), 5708.4 (relating to special supplemental postretirement adjustment), 5708.5 (relating to supplemental annuities commencing 1998), 5708.6 (relating to supplemental annuities commencing 2002), 5708.7 (relating to supplemental annuities commencing 2003) and 5708.8 (relating to special supplemental postretirement adjustment of 2002).

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

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

(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 modification of that option plan.

(e) Benefits to beneficiaries or survivors.--No supplemental annuity provided under this section shall be payable to the beneficiary or survivor annuitant of a member who dies before July 1, 2025, or the effective date of this subsection, whichever is later.

(f) Funding.--The additional liability for the increase in benefits provided under this section shall be funded ~~in equal dollar annual installments over a period of 10 years beginning July 1, 2026, unless a different funding source is otherwise provided by State law.~~ AS PROVIDED IN SECTION 5508(E)(2) (RELATING TO ACTUARIAL COST METHOD).

(g) Eligible benefit recipient.--

(1) An eligible benefit recipient is an individual:

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

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

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

(III.1) WHO IS NOT A MULTIPLE SERVICE MEMBER WITH CLASS T-D SERVICE CREDITED IN THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM; AND

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

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

Section 3. This act shall take effect immediately.