

No. 1987-78

AN ACT

SB 852

Amending Title 71 (State Government) of the Pennsylvania Consolidated Statutes, providing an employer contribution rate for members of an independent retirement system.

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

Section 1. Section 5301(a)(12) of Title 71 of the Pennsylvania Consolidated Statutes, amended December 15, 1986 (P.L.1597, No.176), is amended to read:

§ 5301. Mandatory and optional membership.

(a) Mandatory membership.—Membership in the system shall be mandatory as of the effective date of employment for all State employees except the following:

* * *

(12) School employees who have elected membership in an independent retirement program approved by the employer, provided that in no case, except **[for the fiscal year 1986-1987] as hereinafter provided**, shall the employer contribute on account of such elected membership at a rate greater than the employer normal contribution rate as determined in section 5508(b) (relating to actuarial cost method). For the fiscal year 1986-1987 an employer may contribute on account of such elected membership at a rate which is the greater of 7% or the employer normal contribution rate as determined in section 5508(b) **and for all years after that at a rate of 8.95%**.

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Section 2. The Public Employee Retirement Study Commission shall study the rate established in 71 Pa.C.S. § 5301(a)(12) four years after it was last set and shall recommend to the Governor and the General Assembly not later than March 31 a rate for the next five years. The rate established in 71 Pa.C.S. § 5301(a)(12) shall continue in effect until it is changed. The recommendation of the Public Employee Retirement Study Commission on the rate of employer contribution shall be designed to produce parity of contributions between the alternate retirement program and the State Employees' Retirement System program.

Section 3. This act shall take effect June 30, 1987, or if enacted thereafter, immediately, and shall be retroactive to June 30, 1987.

APPROVED—The 30th day of October, A. D. 1987.

ROBERT P. CASEY