

No. 1981-87

## AN ACT

HB 793

Amending Titles 24 (Education) and 71 (State Government) of the Pennsylvania Consolidated Statutes, revising provisions relating to retirement for public school employees and State employees.

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

Section 1. Subsection (a) of section 8346 and subsection (e) of section 8348 of Title 24, act of November 25, 1970 (P.L.707, No.230), known as the Pennsylvania Consolidated Statutes, are amended to read:

§ 8346. Termination of annuities.

(a) General rule.—If an annuitant returns to school service or enters State service and elects multiple service membership, any annuity payable to him under this part shall cease and in the case of an annuity other than a disability annuity the present value of such annuity, adjusted for full coverage in the case of a joint coverage member who makes the appropriate back contributions for full coverage, shall be frozen as of the date such annuity ceases. *In the event that the cost-of-living increase enacted December 18, 1979 occurred during the period of such State or school employment, the frozen present value shall be increased, on or after the member attains superannuation age, by the percent applicable had he not returned to service.*

\* \* \*

§ 8348. Supplemental annuities.

\* \* \*

(e) Supplement enacted after death of member.—No supplement enacted after the death of the member shall be payable to the beneficiary or survivor annuitant of such deceased former school employee, *except when the effective date of the supplement shall predate the death of the member by virtue of retroactivity of the supplement.*

Section 2. Subsection (a) of section 5706 and subsection (c) of section 5708 of Title 71 are amended to read:

§ 5706. Termination of annuities.

(a) General rule.—If the annuitant returns to State service or enters school service and elects multiple service membership, any annuity payable to him under this part shall cease and in the case of an annuity other than a disability annuity the present value of such annuity, adjusted for full coverage in the case of a joint coverage member who makes the appropriate back contributions for full coverage, shall be frozen as of the date such annuity ceases. *In the event that the cost-of-living increase enacted December 18, 1979 occurred during the period of such State or school employment, the frozen present value shall be*

*increased, on or after the member attains superannuation age, by the percent applicable had he not returned to service*]: Provided, however, That this provision]. *This subsection shall not apply in the case of any annuitant who may render services to the Commonwealth in the capacity of an independent contractor.*

\* \* \*

§ 5708. Supplemental annuities.

\* \* \*

(c) Supplement enacted after death of member.—No cost-of-living supplement enacted after the death of the member shall be payable to the beneficiary or survivor annuitant of such deceased former State employee, *except when the effective date of the supplement shall predate the death of the member by virtue of retroactivity of the supplement.*

\* \* \*

Section 3. (a) This act shall take effect immediately and the provision of section 1 amending section 8346 shall apply to all annuitants who returned to service after October 2, 1975, and section 2 amending section 5706(a) shall apply to all annuitants who returned to service after March 1, 1974.

(b) The provisions of section 1 amending section 8348(e) and section 2 amending section 5708(c) shall take effect immediately and be retroactive to July 1, 1979.

APPROVED—The 12th day of July, A. D. 1981.

DICK THORNBURGH