

No. 1986-176

AN ACT

HB 821

Amending Title 71 (State Government) of the Pennsylvania Consolidated Statutes, providing an employer minimum 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 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*, 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).*

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Section 2. On or before March 31, 1987, the Pennsylvania Public Employee Retirement Study Commission shall undertake a study to ascertain the most appropriate method to set annual employer contribution rates to optional alternate retirement programs so as to ensure parity between employer contribution rates to the State Employees' Retirement System and alternate employee retirement programs. A report summarizing the study and the recommendations of the commission shall be prepared and transmitted to the Governor and to the General Assembly no later than March 31, 1987.

Section 3. Section 1 of this act shall be retroactive to July 1, 1986.

Section 4. This act shall take effect immediately.

APPROVED—The 15th day of December, A. D. 1986.

DICK THORNBURGH