
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 435 Session of
2019

INTRODUCED BY KILLION, HUGHES, SCHWANK, YUDICHAK AND J. WARD,
MARCH 21, 2019

REFERRED TO FINANCE, MARCH 21, 2019

AN ACT

1 Amending Title 71 (State Government) of the Pennsylvania
2 Consolidated Statutes, in preliminary provisions relating to
3 retirement for State employees and officers, further
4 providing for definitions; and, in State Employees' Defined
5 Contribution Plan, further providing for participant
6 contributions.

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

9 Section 1. Section 5102 of Title 71 of the Pennsylvania
10 Consolidated Statutes is amended by adding a definition to read:
11 § 5102. Definitions.

12 The following words and phrases as used in this part, unless
13 a different meaning is plainly required by the context, shall
14 have the following meanings:

15 * * *

16 "Qualified student loan." A loan incurred by a participant
17 for the payment of expenses to attend an institution of higher
18 education and that:

19 (1) is administered by a nationally recognized provider
20 of student loan services;

1 (2) has a monthly payment plan recognized by the United
2 States Department of Education; and

3 (3) is not in default, delinquency or forbearance.

4 * * *

5 Section 2. Section 5804(a) of Title 71 is amended to read:

6 § 5804. Participant contributions.

7 (a) Mandatory contributions.--A participant who did not make
8 the election under section 5306.5 (relating to election by
9 active members to become a Class A-5 member, Class A-6 member or
10 plan participant) shall make mandatory pickup participant
11 contributions through payroll deductions to the participant's
12 individual investment account equal to 3.25% of compensation for
13 current State service credited as a Class A-5 member or 3.5% of
14 compensation for current State service credited as a Class A-6
15 member and 7.5% of compensation for current service performed
16 solely as a participant. A participant who made the election
17 under section 5306.5 shall make mandatory pickup participant
18 contributions as provided under section 5306.5[.], provided that
19 the participant may elect to reduce the amount of the mandatory
20 pickup contribution by an amount equal to not more than \$100
21 during any month in which the participant makes a payment of at
22 least that amount to a qualified student loan during that month.
23 The participant shall be eligible to make the election or to
24 make a change to the amount of the mandatory pickup contribution
25 periodically as determined by regulation of the board. Once
26 elected, the reduction in the mandatory pickup contribution may
27 not occur in excess of 120 months. The employer shall cause
28 those contributions for current service to be made and deducted
29 from each payroll or on such schedule as established by the
30 board.

1 * * *

2 Section 3. This act shall take effect in 60 days.