

Pennsylvania Gov. Ridge Signs Public Employee Retirement Package.

HARRISBURG, Pa., May 17 /PRNewswire/ --

Pennsylvania Gov. Tom Ridge today signed into law House Bill 26, the Public Employee Retirement Package, hailing the taxpayer protections that he fought for and won in the new law.

"Throughout this process, I have had one group of people foremost on my mind -- the taxpayers of Pennsylvania," Gov. Ridge said. "Our state employees do very important work and made very good arguments for the propriety of a pension-benefit increase -- but I was adamant that any new pension law would put the interests of taxpayers first."

When negotiating with the leaders of the General Assembly over the last few weeks, Gov. Ridge insisted that three conditions be met before he signed a pension bill:

-- Employee contributions to the retirement systems must go up, by the

same proportion as any benefit increase. Under House Bill 26, state

employee contributions go up 25 percent -- the same as their benefit;

legislators' contributions go up 50 percent -- the same as their

benefit; and teacher contributions go up by comparable amounts;

-- The General Assembly must pay the state's share of its extraordinary

increase through enhanced employee contributions, and by transferring

approximately \$11 million from their legislative surplus to the State

Employees' Retirement System (SERS) Board. Gov. Ridge said that,

instead of earning interest for the General Assembly, that money

should earn interest for SERS, and thus will cover the entire

employer cost of lawmakers' extraordinary increase in perpetuity; and

-- Pennsylvanians must benefit -- through new education reforms, tax

cuts, passage of the tobacco-settlement programs to make

Pennsylvanians healthier, and important new spending initiatives in the state budget.

"The General Assembly has committed to meet these conditions, and I will sign this legislation," Gov. Ridge said.

The new law was sponsored by Rep. Jere L. Strittmatter (R-Lancaster).

House Bill 26 passed the House 176 to 23 and the Senate 41 to 8. The new law takes effect on various dates ranging from immediately to July 1, 2002, but the majority of the bill takes effect on July 1, 2001.

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