



## INDEPENDENT FISCAL OFFICE

Second Floor, Rachel Carson State Office Building  
400 Market Street  
Harrisburg, Pennsylvania 17105

May 23, 2017

The Honorable Daryl D. Metcalfe, Chairman  
State Government Committee  
Pennsylvania House of Representatives  
144 Main Capitol Building  
Harrisburg, PA 17120

Re: Requested Actuarial Note for Amendment A01436 to House Bill 922, Printer's Number 1075

Dear Representative Metcalfe:

I am writing in response to your request of May 23, 2017 concerning an actuarial note for Amendment A01436 to House Bill 922, Printer's Number 1075. The underlying bill, House Bill 922, would amend the State Employees' Retirement Code (71 Pa.C.S.) by removing new employees of the Susquehanna River Basin Commission (SRBC) from the definition of "state employee." As introduced, the legislation would take effect immediately upon enactment, and would apply to employees hired on or after that date. Affected employees would not be eligible to become members of the State Employees' Retirement System (SERS), and they would not be eligible for public pension benefits.

Amendment A01436 would apply the revised definition of "state employee" to employees whose most recent date of hire is on or after the effective date of the act. Therefore, the amendment would expand the applicability of the legislation to include individuals who have prior service with the SRBC and who are rehired on or after the effective date of the act. The number of affected employees is expected to be small. According to SERS, there are currently 65 employees of the SRBC who are active, contributing members of the system.

Under section 615-B of the Administrative Code of 1929, the Independent Fiscal Office (IFO) has the responsibility to review legislative changes that may affect public employee pension or retirement plans and to provide actuarial notes for such legislation. The IFO has reviewed the provisions of Amendment 01436 to House Bill 922, Printer's Number 1075, and determined that because the legislation, as amended, would affect only a small number of future members, the resulting actuarial cost impact upon SERS would be de minimis. Based on that determination, the amendment will not require an actuarial note prior to consideration by the General Assembly. The office reviewed the

A01436 to House Bill 922, P.N. 1075

May 23, 2017

Page 2

legislation and amendment for actuarial cost impact, but it has not reviewed the provisions for legal or policy implications.

I trust this letter adequately responds to your request. If I may be of any further assistance, please feel free to contact me at (717) 230-8293.

Sincerely,

A handwritten signature in blue ink that reads "Matthew J. Knittel". The signature is written in a cursive style with a large initial "M".

Matthew J. Knittel  
Director

cc: Governor Tom Wolf  
Members of the General Assembly