

INDEPENDENT FISCAL OFFICE

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

May 31, 2017

The Honorable Matthew Bradford, Democratic Chairman
State Government Committee
Pennsylvania House of Representatives
323 Main Capitol Building
Harrisburg, PA 17120

Re: Requested Actuarial Note for Amendment A01450 to House Bill 922, Printer's Number 1075

Dear Representative Bradford:

I am writing in response to your request of May 24, 2017 concerning an actuarial note for Amendment A01450 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 A01450 would apply the revised definition of "state employee" to employees hired after the effective date of the act who have no credited service in either SERS or the Public School Employees' Retirement System. 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 01450 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

A01450 to House Bill 922, P.N. 1075

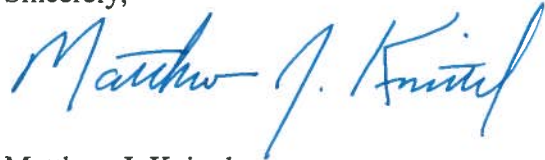
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legislation and amendment for actuarial cost impact, but it has not reviewed the provisions for legal or policy implications.

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, sweeping initial "M".

Matthew J. Knittel
Director

cc: Governor Tom Wolf
Members of the General Assembly