



INDEPENDENT FISCAL OFFICE

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

May 22, 2017

The Honorable Stan Saylor, Chairman
Appropriations Committee
Pennsylvania House of Representatives
245 Main Capitol Building
Harrisburg, PA 17120

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

Dear Representative Saylor:

I am writing in response to your request of May 17, 2017 concerning an actuarial note for House Bill 922, Printer's Number 1075. 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." 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.

The SRBC was established by the Susquehanna River Basin Compact, which was signed into law in 1970. The compact was adopted by the U.S. Congress and the legislatures of New York, Pennsylvania and Maryland to manage the water resources of the Susquehanna River Basin. The headquarters of the SRBC are located in Harrisburg, PA, and a field office is located in Sayre, PA. Under 71 Pa.C.S. § 5102, employees of the SRBC are explicitly included under the definition of "state employee." According to SERS, there are currently 65 employees of the Susquehanna River Basin Commission 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 House Bill 922, Printer's Number 1075, and determined that because the legislation would affect only a small number of future members, the resulting actuarial cost impact upon the State Employees' Retirement System would be de minimis. Based on that determination, the legislation will not require an actuarial note prior to further consideration by the General Assembly.

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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' and 'K'.

Matthew J. Knittel
Director

cc: Governor Tom Wolf
Members of the General Assembly