



COMMONWEALTH OF PENNSYLVANIA
PUBLIC EMPLOYEE RETIREMENT COMMISSION
P. O. BOX 1429, HARRISBURG, PA 17105-1429

May 20, 2016

The Honorable William F. Adolph, Jr.
Majority Chairman
House Appropriations Committee
House of Representatives
245 Main Capitol Building
Harrisburg, PA 17120

Re: [House Bill Number 1499, Printer's Number 3371](#)

Dear Representative Adolph:

I am writing in response to your request concerning an actuarial note for the above referenced bill. House Bill Number 1499, Printer's Number 3371, would amend the Public School Employees' Retirement Code, the State Employees' Retirement Code and the Military Code. The bill would impose a series of retirement benefit changes upon the Public School Employees' Retirement System (PSERS) and the State Employees' Retirement System (SERS) as follows: 1) create new membership classes for PSERS and SERS employees hired after June 30, 2017 and December 31, 2016, respectively; 2) establish defined contribution (DC) plans for new members; and 3) revise certain funding provisions of the retirement systems.

Under the Public Employee Retirement Commission Act (Act 66 of 1981), the Commission has a mandated responsibility to review any legislative changes that affect public employee retirement systems. At my direction, the Commission staff has reviewed the provisions of House Bill Number 1499, Printer's Number 3371, and determined that: 1) on May 17, 2016, the Commission voted to attach an actuarial note to [House Bill Number 727, Printer's Number 1555, as amended by Amendment Numbers 06859 and 06888](#); 2) the work of the Commission's consulting actuary, which was attached to the Commission's actuarial note summary for House Bill Number 727, Printer's Number 1555, as amended by Amendment Numbers 06859 and 06888, continues to apply to House Bill Number 1499, Printer's Number 3371; and 3) House Bill Number 1499, Printer's Number 3371, will have no actuarial cost impact beyond the actuarial cost estimate provided in the Commission's previous actuarial note for House Bill Number 727, Printer's Number 1555, as amended by Amendment Numbers 06859 and 06888.

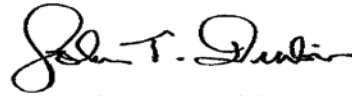
Based upon the determination that House Bill Number 1499, Printer's Number 3371, will have no actuarial cost impact beyond that described in the Commission's previous actuarial note summary from May 17, 2016, for House Bill Number 727, Printer's Number 1555, as amended by Amendment Numbers 06859 and 06888, I am informing you, on behalf of the Commission, that the bill will not require an additional actuarial note prior to further consideration by the General Assembly.

The Honorable William F. Adolph, Jr.
May 20, 2016

Page 2 of 2

I trust this letter adequately responds to your request. If I may be of any further assistance, please feel free to contact me by telephoning (717) 783-6100.

Sincerely,



John T. Durbin
Chairman

cc: The Honorable Mike Turzai The Honorable James R. Roebuck, Jr.
 The Honorable David Reed The Honorable Daryl D. Metcalfe
 The Honorable Frank Dermody The Honorable Mark Cohen
 The Honorable Bryan Cutler Ms. Karen Coates
 The Honorable Michael K. Hanna Mr. Clancy Myer
 The Honorable Sandra Major Mr. David Reddecliff
 The Honorable Dan Frankel Mr. Bernard Gallagher
 The Honorable Joseph Markosek Ms. Lisa Taglang
 The Honorable Bernie O'Neill Ms. Kim Hileman
 The Honorable Jake Wheatley, Jr. Ms. Susan Boyle
 The Honorable Michael Tobash Mr. Antonio C. Parisi
 The Honorable R. Ted Harhai Mr. Jay Pagni
 The Honorable Stan Saylor