



INDEPENDENT FISCAL OFFICE

November 17, 2019

The Honorable Garth D. Everett
House State Government Committee Chairman
Pennsylvania House of Representatives
400 Irvis Office Building
Harrisburg, PA 17120

Re: Requested Actuarial Note for House Bill 1982, Printer's Number 2787, Amendment 03644

Dear Chairman Everett:

I am writing in response to your request of November 1, 2019 concerning an actuarial note for House Bill 1982, Printer's Number 2787 as amended by Amendment 03644. The original bill would amend Title 71 (State Government) of the Pennsylvania Consolidated Statutes, that would allow for certain employers to "pre-fund" between 75 to 100 percent of their future liability contributions. Amendment 03644 would make the following list of employers ineligible for this provision:

- Pennsylvania Turnpike Commission
- Delaware River Port Authority
- Port Authority Transit Corporation
- Philadelphia Regional Port Authority
- Delaware River Joint Toll Bridge Commission
- State Public School Building Authority
- Department of General Services
- State Highway and Bridge Authority
- Delaware Valley Regional Planning Commission
- Delaware River Basin Commission
- Susquehanna River Basin Commission

It would also deem ineligible any separate independent public corporation created by statute, not including any municipal or quasi-municipal corporation. Conforming changes are made throughout the bill to allow only "eligible employers" to benefit from the pre-funding option.

November 17, 2019

Page 2

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 reviewed House Bill 1982, Printer's Number 2787 and determined that the changes made by Amendment 03644 do not have a material actuarial cost impact to the system. Based on that determination, the bill does not require an actuarial note prior to further consideration by the General Assembly. The office reviewed the legislation for actuarial cost impact, but it has not reviewed the provisions for legal, administrative 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,



Matthew J. Knittel
Director, Independent Fiscal Office

cc: Governor Tom Wolf
Members of the General Assembly