



INDEPENDENT FISCAL OFFICE

May 10, 2021

Senator Patrick M. Browne
Chairman
Senate Appropriations Committee
281 Main Capitol Building
Harrisburg, PA 17120

Re: Requested Actuarial Note for Senate Bill 423, Printer's Number 427

Dear Chairman Browne:

This letter responds to your May 4, 2021 request concerning an actuarial note for Senate Bill 423, Printer's Number 427. The bill would amend Title 71 (State Government) of the Pennsylvania Consolidated Statutes, in retirement for State employees and officers, to provide the option for qualified State Employees' Retirement System (SERS) annuitants to serve as part-time fire instructors without suspending annuity payments. Part-time instructors could serve at the Pennsylvania State Fire Academy, the Department of Education, a State-owned educational institution, a community college or the Pennsylvania State University. These annuitants would not be subject to employee contributions and are not eligible for creditable State or school service or participation in defined contribution plans under either SERS or the Public School Employees' Retirement System plans. SERS estimates that there are five or fewer individuals that could be impacted by this legislation. Provisions of the legislation would take effect immediately after enactment and would apply only to service as a State-certified fire instructor performed after that effective date.

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 determined that the actuarial cost impact from Senate Bill 423, Printer's Number 427 is de minimis and does not require a full actuarial analysis 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.

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I trust this letter adequately responds to your request. If I may provide further assistance, please 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 a distinct "J" and "K".

Matthew J. Knittel
Director, Independent Fiscal Office

cc: Governor Tom Wolf
Members of the General Assembly