



INDEPENDENT FISCAL OFFICE

March 19, 2024

Senator Scott E. Hutchinson
Chairman
Senate Finance Committee
170 Main Capitol Building
Harrisburg, PA 17120

Re: Requested Actuarial Note for Senate Bill 479, Printer's Number 510

Dear Chairman Hutchinson:

This letter responds to your request of March 11, 2024 concerning an actuarial note for Senate Bill 479, Printer's Number 510. The bill would allow for commissioned police officers employed by the Pennsylvania Department of Corrections, Bureau of Investigations and Intelligence, to be classified as "enforcement officers" under Title 71 (State Government) of the Pennsylvania Consolidated Statutes. The bill would reduce the age when superannuation is achieved for these individuals from age 65 to age 55, or age 60 to age 50, depending on when the individuals were first hired under this title. The bill also requires that any change in the accrued liability that results from these statutory changes must be funded by the Department of Corrections in equal installments over 10 years. The legislation is effective retroactively for employees who became State Employees' Retirement System (SERS) members on or before December 31, 2018. For officers hired on or after January 1, 2019, the legislation is effective 60 days after enactment.

Initial estimates from SERS include:

- There are currently 13 officers in this bureau, and 11 were SERS members prior to December 31, 2018. One employee is already coded as an enforcement officer from previous service and would have a reduced actuarial impact.
- The unfunded liability is \$127,000, which would cost \$18,000 per year to amortize over 10 years.
- There is an additional \$40,000 annual increase to the normal cost based on current employee salaries.
- The total cost to the department is \$58,000 for the first year.

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 Senate Bill 479, Printer's Number 510 and information submitted by SERS and determined that the actuarial cost impact would not be material. 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.

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If you have further questions regarding this response, please contact my office (contact@ifo.state.pa.us).

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'.

Matthew J. Knittel
Director, Independent Fiscal Office

cc: Governor Josh Shapiro
Members of the General Assembly