



INDEPENDENT FISCAL OFFICE

February 8, 2022

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

Re: Requested Actuarial Note for Senate Bill 622, Printer's Number 779

Dear Chairman Hutchinson:

I am writing in response to your request of February 2, 2022 concerning an actuarial note for Senate Bill 622, Printer's Number 779. 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 at which 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 legislation also provides that any change in the accrued liability that results from these statutory changes be funded by the Department of Corrections in equal installments over ten 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 shall apply as of the effective date of the legislation, which is 60 days after enactment. Of the 15 officers in this bureau, 14 were members prior to December 31, 2018. According to information from SERS, the additional unfunded liability for the 15 employees affected would be approximately \$470,000. There would be an additional \$51,000 per year increase to the normal cost for these employees based on current salaries. The total cost to the department for the first year is \$118,000.

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 622, Printer's Number 779 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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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 'K'.

Matthew J. Knittel
Director, Independent Fiscal Office

cc: Governor Tom Wolf
Members of the General Assembly