



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

April 6, 2015

The Honorable Kate M. Harper
Majority Chairman
House Local Government Committee
House of Representatives
209 Ryan Office Building
Harrisburg, PA 17120

Re: House Bill Number 239, Printer's Number 1073

Dear Representative Harper:

I am writing in response to your request concerning an actuarial note for the above referenced bill. House Bill Number 239, Printer's Number 1073, would amend the act of August 31, 1971, P. L. 398, No. 96, known as the County Pension Law (Act 96 of 1971), to clarify that cost-of-living adjustments, if given to retired county employees, would not need to be calculated retroactively to the date of the previous cost-of-living increase and would not need to apply the cost-of-living index change for each year since the previous cost-of-living increase. Further, the bill would require that prior to approving any cost-of-living adjustment, the county retirement board shall have an actuarial note prepared regarding the proposed adjustment. The bill also defines the cost-of-living index that would be used in the determination of the cost-of-living adjustment changes as the Consumer Price Index for All Urban Consumers for the Pennsylvania, New Jersey, Delaware, and Maryland area.

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 239, Printer's Number 1073, and determined that: 1) on February 25, 2015, the Commission voted to attach an actuarial note to [Senate Bill Number 129, Printer's Number 265](#); 2) the Commission's actuarial note on Senate Bill Number 129, Printer's Number 265, applies to House Bill Number 239, Printer's Number 1073; and 3) House Bill Number 239, Printer's Number 1073, will have no additional actuarial cost impact beyond that described in the Commission's actuarial note on Senate Bill Number 129, Printer's Number 265.

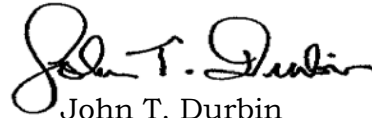
Based upon the determination that House Bill Number 239, Printer's Number 1073, will have no actuarial cost impact beyond that described in the Commission's actuarial note on Senate Bill Number 129, Printer's Number 265, I am informing you, on behalf of the Commission, that the bill will not require an actuarial note prior to further consideration by the General Assembly.

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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

Enclosure

cc: The Honorable Mike Turzai
 The Honorable David Reed
 The Honorable Frank Dermody
 The Honorable Bryan Cutler
 The Honorable Michael K. Hanna
 The Honorable Sandra Major
 The Honorable Dan Frankel
 The Honorable William F. Adolph, Jr.
 The Honorable Joseph Markosek
 The Honorable Bernie O'Neill
 The Honorable Jake Wheatley, Jr.
 The Honorable Michael Tobash

 The Honorable R. Ted Harhai
 The Honorable Keith J. Greiner
 The Honorable Robert L. Freeman
 The Honorable Scott A. Petri
 The Honorable Thomas R. Caltagirone
 Ms. Karen Coates
 Mr. Clancy Myer
 Mr. Anthony F. Barbush
 Ms. Debbie Reeves
 Mr. Bernard Gallagher
 Ms. Lisa Taglang

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 239 Session of
2015

INTRODUCED BY GREINER, TOPPER, GROVE, GINGRICH, MURT, WHEELAND,
A. HARRIS, EVERETT, KAUFFMAN, PYLE, GOODMAN, HELM, DIAMOND,
ZIMMERMAN, HICKERNELL, MOUL, PHILLIPS-HILL, NESBIT AND RADER,
JANUARY 28, 2015

AS REPORTED FROM COMMITTEE ON LOCAL GOVERNMENT, HOUSE OF
REPRESENTATIVES, AS AMENDED, APRIL 1, 2015

AN ACT

1 Amending the act of August 31, 1971 (P.L.398, No.96), entitled
2 "An act providing for the creation, maintenance and operation
3 of a county employes' retirement system, and imposing certain
4 charges on counties and providing penalties," further
5 providing for DEFINITIONS AND FOR supplemental benefits. <--

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 ~~Section 1. Section 30(b) of the act of August 31, 1971~~ <--
9 ~~(P.L.398, No.96), known as the County Pension Law, amended July~~
10 ~~18, 1986 (P.L.1410, No.126), is amended to read:~~

11 SECTION 1. SECTION 2 OF THE ACT OF AUGUST 31, 1971 (P.L.398, <--
12 NO.96), KNOWN AS THE COUNTY PENSION LAW, IS AMENDED BY ADDING A
13 DEFINITION TO READ:

14 SECTION 2. DEFINITIONS.--AS USED IN THIS ACT:

15 * * *

16 (5.1) "COST-OF-LIVING INDEX" MEANS THE CONSUMER PRICE INDEX
17 FOR ALL URBAN CONSUMERS (CPI-U) FOR THE PENNSYLVANIA, NEW

1 JERSEY, DELAWARE AND MARYLAND AREA.

2 * * *

3 SECTION 2. SECTION 30(B) OF THE ACT, AMENDED JULY 18, 1986
4 (P.L.1410, NO.126), IS AMENDED TO READ:

5 Section 30. Supplemental Benefits.--* * *

6 (b) (1) The cost-of-living increase shall be reviewed at
7 least once in every three years by the board which may adjust
8 the CURRENT MONTHLY BENEFIT BY THE percentages in accordance <--
9 with cost-of-living index at the time of review[.], PROVIDED <--
10 THAT THE ADJUSTMENT NEED NOT BE CALCULATED RETROACTIVELY TO THE
11 DATE OF THE PREVIOUS COST-OF-LIVING INCREASE APPROVED BY THE
12 BOARD UNDER THIS SECTION AND NEED NOT APPLY THE COST-OF-LIVING
13 INDEX CHANGE FOR EACH YEAR SINCE THE PREVIOUS COST-OF-LIVING
14 INCREASE.

15 ~~(2) Nothing in this subsection shall be construed to require~~ ◀
16 ~~the county commissioners or, in counties operating under a home-~~
17 ~~rule charter or optional plan, the governing authority to adjust~~
18 ~~the percentages retroactively to the date of the previous cost-~~
19 ~~of living increase under this section.~~ BEFORE APPROVING ANY ◀
20 COST-OF-LIVING ADJUSTMENT, THE BOARD SHALL HAVE AN ACTUARIAL
21 NOTE PREPARED REGARDING THE PROPOSED ADJUSTMENT.

22 Section 2 3. This act shall take effect in 60 days. <--