

November 3, 2011

The Honorable John H. Eichelberger, Jr.  
Majority Chairman  
Senate Local Government Committee  
Senate of Pennsylvania  
Room 460 Main Office Building  
Harrisburg, PA 17120

Re: Senate Bill Number 1321, Printer's Number 1750

Dear Senator Eichelberger:

I am writing with regard to the above referenced bill. Senate Bill Number 1321, Printer's Number 1750, would amend the Act of July 10, 1987 (P.L. 246, No. 47), known as the Municipalities Financial Recovery Act, to further provide for collective bargaining. Under the bill, a collective bargaining contract or a collective bargaining arbitration award rendered after the adoption of a plan shall not in any manner violate, expand or diminish the recovery plan's provisions. A collective bargaining agreement, contract or settlement in existence in a municipality or an arbitration award in effect in a municipality prior to a consolidation or merger shall remain effective after consolidation or merger until it expires.

Legislation affecting collective bargaining contracts or arbitration awards can have the potential to impact public employee retirement systems. 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 Senate Bill Number 1321, Printer's Number 1750, and determined that the bill will have no actuarial cost impact.

Based upon the determination that Senate Bill Number 1321, Printer's Number 1750, will have no actuarial cost impact, 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. If I may be of any further assistance, please feel free to contact me by telephoning (717) 783-6100.

Sincerely,



Anthony W. Salomone  
Chairman

Enclosure