

October 18, 2005

The Honorable Jane M. Earll
Majority Chairwoman
Senate Finance Committee
Senate of Pennsylvania
351 Main Capitol
Harrisburg, PA 17120

Re: Senate Bill Number 394, Printer's Number 401

Dear Senator Earll:

I am writing in response to your request concerning an actuarial note for the above referenced bill. The bill would amend the Municipal Police Pension Law (Act 600 of 1955) to: 1) increase the permissible length-of-service increment that may be paid to a member in addition to the normal retirement benefit from the current maximum of \$100 per month for members who have completed in excess of 25 years of service to \$100 per month for each completed year of service in excess of 25 years, up to a maximum service increment of \$500 per month for members who have completed 30 or more years of service; and 2) permit a municipality or regional police department operating under a home rule charter which had pension plans in effect prior to the effective date of the bill that provide pension benefits in excess of current Act 600 limits to continue to do so.

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 394, Printer's Number 401, and determined that: 1) on June 22, 2005, the Commission voted to attach an actuarial note to House Bill Number 1048, Printer's Number 1204 (copy enclosed); 2) the Commission's actuarial note on House Bill Number 1048, Printer's Number 1204, applies to Senate Bill Number 394, Printer's Number 401; and 3) Senate Bill Number 394, Printer's Number 401, will have no actuarial cost impact beyond that described in the Commission's previous actuarial note on House Bill Number 1048, Printer's Number 1204.

Based upon the determination that Senate Bill Number 394, Printer's Number 401, will have no actuarial cost impact beyond that described in the Commission's previous actuarial note on House Bill Number 1048, Printer's Number 1204, I am informing you, on behalf of the Commission, that Senate Bill Number 394, Printer's

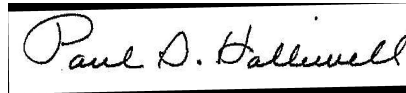
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Number 401, will not require an actuarial note prior to further consideration by the General Assembly.

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,

A rectangular box containing a handwritten signature in cursive script that reads "Paul D. Halliwell".

Paul D. Halliwell
Chairman

Enclosures

cc: The Honorable Robert C. Jubelirer
The Honorable David J. Brightbill
The Honorable Robert J. Mellow
The Honorable Jeffrey E. Piccola
The Honorable Michael A. O'Pake
The Honorable Noah W. Wenger
The Honorable Jay Costa, Jr.
The Honorable Robert J. Thompson
The Honorable Vincent J. Fumo
The Honorable John N. Wozniak
The Honorable Patrick M. Browne
The Honorable Jake Corman
The Honorable Edwin B. Erickson
The Honorable James Ferlo
Mr. Mark R. Corrigan
Mr. C. J. Hafner
Jason R. Brehouse, Esq.
Mr. Gregory K. Jordon

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bcc: PDH - w/o
Reading/PDH - w/o
Addressee/Senate - w/o
Legislative (2005-2006 Sessions)
- Senate Bill Number 394
Staff - w/o
ACP