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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE RESOLUTION

No. 52

Session of  
1995

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INTRODUCED BY NICKOL, NYCE, FARGO, GEIST, COY, CLARK, HERSHEY,  
TRELLO, NAILOR, BAKER, TIGUE, CARONE, ROBERTS, MAITLAND,  
HUTCHINSON, WAUGH, SEMMEL, BATTISTO, ROHRER, B. SMITH, TULLI,  
VANCE, HENNESSEY, SATHER AND KENNEY, FEBRUARY 13, 1995

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REFERRED TO COMMITTEE ON RULES, FEBRUARY 13, 1995

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A CONCURRENT RESOLUTION

1 Directing the Public Employee Retirement Commission to study the  
2 long-term financial ramifications of Act 186 of 1992.

3 WHEREAS, Act 186 of 1992, commonly referred to as the "Mellow  
4 Bill," which amended Title 24 of the Pennsylvania Consolidated  
5 Statutes, provided an early retirement incentive for certain  
6 school employees; and

7 WHEREAS, A thorough study of the actuarial cost and savings  
8 related to Act 186 must be undertaken in order to better  
9 understand the financial ramifications for the Commonwealth,  
10 school districts, vocational-technical schools and intermediate  
11 units; therefore be it

12 RESOLVED (the Senate concurring), That the General Assembly  
13 direct the Public Employee Retirement Commission to conduct a  
14 complete study of the actuarial cost and savings related to Act  
15 186 of 1992; and be it further

16 RESOLVED, That the study include, but not be limited to, an  
17 examination of the following:

1           (1) for each school district, vocational-technical  
2 school and intermediate unit, the number of school employees  
3 by classification who were eligible to avail themselves of  
4 the provisions of Act 186, the number of employees who  
5 actually retired under the provisions of Act 186 and the  
6 number of replacement employees who were hired as a direct  
7 result of retirement of school employees under Act 186;

8           (2) for each school district, vocational-technical  
9 school and intermediate unit an estimate of the increase in  
10 retirements induced through passage of Act 186;

11           (3) for each school district, vocational-technical  
12 school and intermediate unit, the cost of early retirement,  
13 including outlays for health insurance, purchase of accrued  
14 annual and sick leave, bonuses and other retirement-related  
15 costs related to early retirement of employees;

16           (4) for each school district, vocational-technical  
17 school and intermediate unit, the salary and benefits savings  
18 related to early retirement of employees;

19           (5) the initial and long-term cost or savings of  
20 providing early retirement for school employees to the  
21 Commonwealth; and

22           (6) an examination of factors which may have induced a  
23 comparably greater or lesser number of early retirements in  
24 some reporting units than others;

25 and be it further

26       RESOLVED, That the Public Employee Retirement Commission,  
27 using reasonable and accepted actuarial assumptions, project the  
28 long-term financial ramifications of Act 186 and compare the  
29 cost that would have resulted absent the enactment of Act 186;

30 and be it further

1       RESOLVED, That the Public Employee Retirement Commission  
2       submit the results of its study and financial projections to the  
3       General Assembly as soon as is feasible.