

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 52

Session of
1995

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

AS AMENDED, HOUSE OF REPRESENTATIVES, FEBRUARY 14, 1995

A CONCURRENT RESOLUTION

1 Directing the Public Employee Retirement Commission to study the
2 long-term financial ramifications of Act 186 of 1992 AND ACT <—
3 29 OF 1994.

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

8 WHEREAS, ACT 29 OF 1994 ALSO AMENDED TITLE 24 AND PROVIDED <—
9 FOR A RETROACTIVE CHANGE IN THE EFFECTIVE DATE OF THE EARLY
10 RETIREMENT INCENTIVE; AND

11 WHEREAS, A thorough study of the actuarial cost and savings
12 related to Act 186 OF 1992 AND ACT 29 OF 1994 must be undertaken <—
13 in order to better understand the financial ramifications for
14 the Commonwealth, school districts, vocational-technical schools
15 and intermediate units; therefore be it

16 RESOLVED (the Senate concurring), That the General Assembly
17 direct the Public Employee Retirement Commission to conduct a

1 complete study of the actuarial cost and savings related to Act
2 186 of 1992 AND ACT 29 OF 1994; and be it further

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

5 (1) for each school district, vocational-technical
6 school and intermediate unit, the number of school employees
7 by classification who were eligible to avail themselves of
8 the provisions of Act 186 AS MODIFIED BY ACT 29 OF 1994, the
9 number of employees who actually retired under the provisions
10 of Act 186 AS MODIFIED BY ACT 29 OF 1994 and the number of
11 replacement employees who were hired as a direct result of
12 retirement of school employees under Act 186 AS MODIFIED BY
13 ACT 29 OF 1994;

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14 (2) for each school district, vocational-technical
15 school and intermediate unit an estimate of the increase in
16 retirements induced through passage of Act 186 AND ACT 29 OF
17 1994;

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18 (3) for each school district, vocational-technical
19 school and intermediate unit, the cost of early retirement,
20 including outlays for health insurance, purchase of accrued
21 annual and sick leave, bonuses and other retirement-related
22 costs related to early retirement of employees;

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

26 (5) the initial and long-term cost or savings of
27 providing early retirement for school employees to the
28 Commonwealth; and

29 (6) an examination of factors which may have induced a
30 comparably greater or lesser number of early retirements in

1 some reporting units than others;

2 and be it further

3 RESOLVED, That the Public Employee Retirement Commission,
4 using reasonable and accepted actuarial assumptions, project the
5 long-term financial ramifications of Act 186 OF 1992 AND ACT 29 <—
6 OF 1994 and compare the cost that would have resulted absent the
7 enactment of ~~Act 186~~ THESE ACTS; and be it further <—

8 RESOLVED, THAT THE EXECUTIVE DIRECTOR OF THE PUBLIC SCHOOL <—
9 EMPLOYEES' RETIREMENT SYSTEM BE DIRECTED TO COOPERATE WITH THE
10 PUBLIC EMPLOYEE RETIREMENT COMMISSION IN THE CONDUCT OF ITS
11 STUDY, PARTICULARLY BY PROVIDING ACTUARIAL AND DEMOGRAPHIC DATA
12 REQUESTED BY THE PUBLIC EMPLOYEE RETIREMENT COMMISSION; AND BE
13 IT FURTHER

14 RESOLVED, THAT THE SECRETARY OF EDUCATION BE DIRECTED TO
15 ASSIST THE PUBLIC EMPLOYEE RETIREMENT STUDY COMMISSION IN
16 CONDUCTING ITS STUDY, PARTICULARLY BY OBTAINING DATA AND
17 INFORMATION FROM SCHOOL DISTRICTS, VOCATIONAL-TECHNICAL SCHOOLS
18 AND INTERMEDIATE UNITS REQUESTED BY THE COMMISSION; AND BE IT
19 FURTHER

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