

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2759 Session of  
2004

INTRODUCED BY CLYMER, BAKER, BARRAR, BASTIAN, BELFANTI, BROWNE,  
CAUSER, CRAHALLA, CRUZ, DAILEY, DALEY, DENLINGER, DeWEESE,  
FAIRCHILD, FICHTER, GEORGE, GOODMAN, HARHAI, HARRIS, HERSHEY,  
HESS, HORSEY, KILLION, KOTIK, LAUGHLIN, MANN, MARKOSEK,  
McILHATTAN, NAILOR, O'NEILL, PICKETT, REED, RUBLEY, SAINATO,  
SANTONI, SATHER, SEMMEL, SOLOBAY, STERN, THOMAS, TIGUE, TRUE,  
WATSON, WEBER, WOJNAROSKI, YOUNGBLOOD, SURRA, LEVDANSKY,  
BENNINGHOFF AND HUTCHINSON, JUNE 28, 2004

REFERRED TO COMMITTEE ON FINANCE, JUNE 28, 2004

AN ACT

1 Amending the act of July 9, 1981 (P.L.208, No.66), entitled, as  
2 amended, "An act creating the Public Employee Retirement  
3 Commission to make a continuing study of all public employee  
4 retirement and pension systems; and making an appropriation,"  
5 further providing for actuarial notes.

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

8 Section 1. Section 7 of the act of July 9, 1981 (P.L.208,  
9 No.66), known as the Public Employee Retirement Commission Act,  
10 amended December 20, 1991 (P.L.393, No.42), is amended to read:

11 Section 7. Actuarial notes.

12 (a) Note required for bills.--Except as otherwise provided  
13 in subsection (f)(1), no bill proposing any change relative to a  
14 public employee pension or retirement plan shall be given second  
15 consideration in either House of the General Assembly, until the  
16 commission has attached an actuarial note prepared by an

1 enrolled pension actuary which shall include a reliable estimate  
2 of the cost and actuarial effect of the proposed change in any  
3 such pension or retirement system.

4 (b) Note required for amendments.--Except as otherwise  
5 provided in subsection (f)(2), no amendment to any bill  
6 concerning any public employee pension or retirement plan shall  
7 be considered by either House of the General Assembly until an  
8 actuarial note prepared by an enrolled pension actuary has been  
9 attached.

10 (c) Preparation of note.--The commission shall select an  
11 enrolled pension actuary to prepare an actuarial note which  
12 shall include a reliable estimate of the financial and actuarial  
13 effect of the proposed change in any such pension or retirement  
14 system.

15 (d) Contents of note.--The actuarial note shall be factual,  
16 and shall, if possible, provide a reliable estimate of both the  
17 immediate cost and effect of the bill and, if determinable or  
18 reasonably foreseeable, the long-range actuarial cost and effect  
19 of the measure. If the proposed change is to a benefit formula,  
20 the actuarial note shall include an estimate of the cost of  
21 applying the change to persons retiring in the future and  
22 persons who are presently retired.

23 (e) Notes for proposed constitutional amendments.--The  
24 commission shall issue an actuarial note, prepared by an  
25 enrolled pension actuary, for any joint resolution proposing an  
26 amendment to the Constitution of Pennsylvania which initially  
27 passes either House of the General Assembly. If said joint  
28 resolution is subsequently amended and passes either House of  
29 the General Assembly, a new actuarial note shall be prepared.

30 (f) Effect of failure of commission to attach note.--

1           (1) If the commission fails to attach an actuarial note  
2     within 20 legislative days after a bill proposing a change  
3     relative to a public employee pension or retirement plan has  
4     received first consideration in either House of the General  
5     Assembly, the bill may be further considered in the same  
6     manner as if the actuarial note had been attached to the  
7     bill.

8           (2) If the commission fails to attach an actuarial note  
9     within 20 legislative days after an amendment to a bill  
10    proposing a change relative to a public employee pension or  
11    retirement has submitted to the commission, the amendment may  
12    be considered in the same manner as if the actuarial note had  
13    been attached to the amendment.

14   Section 2. This act shall take effect in 60 days.