AN ACT

Amending the act of April 9, 1929 (P.L.343, No.176), entitled, as amended, "An act relating to the finances of the State government; providing for cancer control, prevention and research, for ambulatory surgical center data collection, for the Joint Underwriting Association, for entertainment business financial management firms, for private dam financial assurance and for reinstatement of item vetoes; providing for the settlement, assessment, collection, and lien of taxes, bonus, and all other accounts due the Commonwealth, the collection and recovery of fees and other money or property due or belonging to the Commonwealth, or any agency thereof, including escheated property and the proceeds of its sale, the custody and disbursement or other disposition of funds and securities belonging to or in the possession of the Commonwealth, and the settlement of claims against the Commonwealth, the resettlement of accounts and appeals to the courts, refunds of moneys erroneously paid to the Commonwealth, auditing the accounts of the Commonwealth and all agencies thereof, of all public officers collecting moneys payable to the Commonwealth, or any agency thereof, and all receipts of appropriations from the Commonwealth, authorizing the Commonwealth to issue tax anticipation notes to defray current expenses, implementing the provisions of section 7(a) of Article VIII of the Constitution of Pennsylvania authorizing and restricting the incurring of certain debt and imposing penalties; affecting every department, board, commission, and officer of the State government, every political subdivision of the State, and certain officers of such subdivisions, every person, association, and corporation required to pay, assess, or collect taxes, or to make returns or reports under the laws imposing taxes for State purposes, or to pay license fees or other moneys to the Commonwealth, or any agency thereof, every State depository and every debtor or creditor of the
Commonwealth," in additional special funds, providing for
Unfunded Liability Solvency Reserve Fund.

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

Section 1. Article XVII-A.1 of the act of April 9, 1929
(P.L.343, No.176), known as The Fiscal Code, is amended by
adding a subarticle to read:

SUBARTICLE G

UNFUNDED LIABILITY SOLVENCY RESERVE FUND

Section 1761-A.1. Definitions.

The following words and phrases when used in this subarticle
shall have the meanings given to them in this section unless the
context clearly indicates otherwise:

"Public retirement funds." The State Employees' Retirement
Fund and the Public School Employees' Retirement Fund.

"Public School Employees' Retirement Fund." The fund
established under 24 Pa.C.S. Pt. IV (relating to retirement for
school employees).

"Solvency Reserve Fund." The Unfunded Liability Solvency
Reserve Fund established under section 1762-A.1.

"State Employees' Retirement Fund." The fund established
under 71 Pa.C.S. Pt. XXV (relating to retirement for State
employees and officers).


(a) Establishment.--There is established within the State
Treasury a special fund to be known as the Unfunded Liability
Solvency Reserve Fund.

(b) Deposits.--The following shall be deposited in the
Solvency Reserve Fund:

(1) If the Secretary of the Budget certifies that there
is a surplus in the General Fund for a specific fiscal year,
any amount of the surplus which is not deposited in the
Budget Stabilization Reserve Fund under section 1702-A(b). A
deposit under this paragraph shall be deposited by the end of
the next succeeding quarter into the Solvency Reserve Fund.

(2) Any amount appropriated to the Solvency Reserve Fund
by the General Assembly.

(3) Any amount transferred to the Solvency Reserve Fund
by law.

(c) Appropriations.--Money in the Solvency Reserve Fund
shall only be appropriated to the public retirement funds in
accordance with subsections (d), (e), (f) and (g).

(d) Restrictions on appropriations.--Money in the Solvency
Reserve Fund shall be appropriated for the following purposes:

(1) To make an additional contribution to the Public
School Employees' Retirement Fund in excess of the
actuarially required contribution for the fiscal year.

(2) To make an additional contribution to the State
Employees' Retirement Fund in excess of the actuarially
required contribution for the fiscal year.

(e) Treatment of transfers.--Amounts transferred to the
public retirement funds must be in addition to required annual
employer contributions required under 24 Pa.C.S. §§ 8326
(relating to contributions by the Commonwealth) and 8327
(relating to payments by employers) and 71 Pa.C.S. § 5507
(relating to contributions to the system by the Commonwealth and
other employers) and may not be used to replace any portion of
the annual employer contributions certified by the boards under
24 Pa.C.S. § 8328 (relating to actuarial cost method) and 71
Pa.C.S. §§ 5507, 5508 (relating to actuarial cost method) and
5902(k) (relating to administrative duties of the board). The
Public School Employees' Retirement Board and the State Employees' Retirement Board shall accept the transferred money and apply the money to offset the current unfunded actuarial accrued liabilities of the public retirement funds.

(f) Certifications.--On July 1, 2019, and July 1 of each subsequent year, the Secretary of the Budget shall certify the following:

(1) The total unfunded actuarial accrued liabilities of the Public School Employees' Retirement Fund.

(2) The total unfunded actuarial accrued liabilities of the State Employees' Retirement Fund as determined by the State Employees' Retirement Board in the most recent actuarial valuation of the State Employees' Retirement system.

(g) Amounts.--The following shall apply:

(1) For the 2019-2020 fiscal year and each subsequent fiscal year, the following amounts are appropriated from the Solvency Reserve Fund to the Public School Employees' Retirement Fund:

(i) The total amount in the Solvency Reserve Fund as of the first day of the fiscal year, multiplied by a quotient, the numerator of which is the amount certified under subsection (f)(1) and the denominator of which is the total amount certified under subsection (f).

(ii) (Reserved).

(2) For the 2019-2020 fiscal year and each subsequent fiscal year, the following amounts are appropriated from the Solvency Reserve Fund to the State Employees' Retirement Fund:

(i) The total amount in the Solvency Reserve Fund as
of the first day of the fiscal year, multiplied by a quotient, the numerator of which is the amount certified under subsection (f)(2) and the denominator of which is the total amount certified under subsection (f).

(ii) (Reserved).

(h) Recognition of amounts appropriated from the Solvency Reserve Fund.--Amounts received by the State Employees' Retirement Fund under this subarticle shall be recognized by the State Employees' Retirement Board as part of the experience adjustment factor under 71 Pa.C.S. § 5508(f) as a percentage of all the active members and active participants.

Section 2. This act shall take effect in 120 days.