



HOUSE COMMITTEE ON APPROPRIATIONS
2009-10 Legislative Session

FISCAL NOTE

HOUSE BILL: 1182 PRINTER'S NO: 1411 PRIME SPONSOR: Casorio

FISCAL IMPACT SUMMARY	FY 2008/09	FY 2009/10
Expenditure Increase/(Decrease):		
General Fund	\$0	\$0

OVERVIEW:

This bill amends Section 2 of the Public Employee Pension Forfeiture Act 140 by adding two additional offenses to the list of current crimes that result in forfeiture of pension benefits. These offenses are "Institutional Sexual Assault" as defined in Title 18 § 3124.2 and "Contraband" as defined in Title 18 § 5123 (a), (c), or (c.1).

Section 2 of the Public Employee Pension Forfeiture Act deals with crimes related to public office or public employment. Specifically, a public official or public employee found guilty of an offense enumerated in this section shall forfeit payment of pension benefits. The Act provides for the return of payments made to the retirement system by the offender, with no interest paid. The offender would not be eligible to receive any portion of the employer contribution made to the system during the offender's period of active employment. In cases where the offender has already retired, these systems may have already paid a lump sum benefit as well as monthly retirement benefits, which would not be recoverable.

This act takes effect in 60 days.

ANALYSIS:

Enactment of this legislation will have no adverse impact on Commonwealth or retirement system funds.

The State Employees' Retirement System (SERS) has over 200,000 current members and is an example of one of the retirement systems affected by this legislation. In 2006 and 2007, there were 5 forfeitures each year within SERS, and in 2008 there were 11 forfeitures. Therefore, any gains to the system through forfeiture of the employer's portion of an offender's retirement benefit would be minimal in terms of the overall pension system asset status.

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