

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

BILL NO. House Bill 128

PRINTER'S NO. 126

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

January 16, 2013

PRIME SPONSOR

Representative Haggerty

DESCRIPTION AND PURPOSE OF BILL

House Bill 128 amends the Second Class A City Employee Pension Law (Act 400 of 1959) to further provide for credit for military service.

Currently, the Second Class A City Employee Pension Law allows an eligible member of the pension plan to purchase up to five years of nonintervening military service if the member enters employment with the City of Scranton within three years of the date of the member's release from active military service. House Bill 128 amends the existing law by removing the statutory three-year time limit within which a member must commence employment with the City following military service in order to be eligible to purchase credit for nonintervening military service, and by mandating that affected members be entitled to purchase the nonintervening military service credit.

The legislation will take effect immediately.

FISCAL IMPACT:

House Bill 128 will have no adverse fiscal impact on Commonwealth funds.

Based on information provided by the Public Employees Retirement Commission and an actuarial note prepared by its consulting actuary, there should be no actuarial cost to the City of Scranton resulting from enactment of this legislation. An eligible member would be required to purchase nonintervening military service by making a payment to the pension fund that is equal to the amount the member would have contributed had the member been a member of the pension fund during the period of nonintervening military service, plus the equivalent of the City's contributions on account of such service. This purchase requirement precludes any actuarial cost to the City.