

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 611

PRINTER NO. 1432

AMOUNT

No Fiscal Impact

FUND

General Fund
Public School Employees' Retirement Fund
State Employees' Retirement Fund

DATE INTRODUCED

April 17, 2017

PRIME SPONSOR

Senator DiSanto

DESCRIPTION

Senate Bill 611 amends the Public Employee Pension Forfeiture Act by applying pension forfeiture to state or federal offenses classified as felonies or punishable by a term of imprisonment exceeding five years and specifically 18 U.S.C. § 371 (relating to conspiracy to commit offense or to defraud United States) and §1341 (relating to frauds and swindles).

Provides for pension benefits to be forfeited retroactive to the date of a plea of guilty or no contest or upon entry of a jury verdict or judicial order of guilty with respect to crimes related to public office or public employment. Provides that the forfeiture shall not be stayed or affected by the pendency of an appeal.

Requires that the court upon conviction or plea entry of guilty or no contest to notify the public official or public employee's benefits administrator of the finding or plea within three business days and notify the benefits administrator if restitution is or is not ordered and the amount of restitution. Provides that the benefits administrator shall not make payment of any contributions to the public official or public employee until the court notifies the benefits administrator that no restitution is due.

The legislation is scheduled to take effect immediately.

FISCAL IMPACT:

The enactment of Senate Bill 611 will have no adverse fiscal impact on Commonwealth Funds. The administrative provisions requiring the courts to provide notice to benefits administrators regarding conviction or plea entry and restitution are routine to the courts' daily functions and given the infrequency of pension forfeiture cases will have no adverse fiscal impact on their operating budgets.

Additionally, the Independent Fiscal Office reviewed Senate Bill 611 for actuarial cost impact and concluded that the provisions of the legislation would apply prospectively to a limited number of individuals and therefore would have a de minimis impact on public pension funds.