

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. Senate Bill 113

PRINTER NO. 58

AMOUNT

No Fiscal Impact

FUND

General
Public School Employees' Retirement
State Employees' Retirement

DATE INTRODUCED

January 23, 2019

PRIME SPONSOR

Senator DiSanto

DESCRIPTION

Senate Bill 113 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).

The legislation 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. It provides that the forfeiture shall not be stayed or affected by the pendency of an appeal.

The legislation requires the Administrative Office of Pennsylvania Courts to provide the State Employees' Retirement System and the Public School Employees' Retirement System with the information necessary to ensure that benefits are forfeited.

The legislation provides that until restitution is determined by the court, the benefits administrator shall not make payment of any refund of contributions to the public official or public employee until the court notifies the benefits administrator that no restitution is due. It also requires the court to notify the benefits administrator if restitution is or is not ordered and the amount, if applicable.

The legislation is scheduled to take effect immediately.

FISCAL IMPACT:

The enactment of Senate Bill 113 will have no adverse fiscal impact on Commonwealth Funds. The administrative provisions requiring the courts to provide information to benefits administrators regarding conviction or plea entry and restitution are routine to the court's daily functions and given the infrequency of pension forfeiture cases will have no adverse fiscal impact on their operating budgets.

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Additionally, the Independent Fiscal Office reviewed Senate Bill 113 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.