

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 423

PRINTER NO. 410

AMOUNT

See Fiscal Impact

FUND

State Employees' Retirement Fund

DATE INTRODUCED

March 14, 2023

PRIME SPONSOR

Senator J. Ward

DESCRIPTION

Senate Bill 423 amends Title 71 (State Government) Section 5301 (Mandatory and optional membership in the system and participation in the plan) and Section 5706 (Termination of annuities) to provide the option for a State Employees' Retirement System (SERS) annuitant to serve as a part-time fire instructor without suspending annuity payments. The legislation specifies that a part-time instructor must serve at the Pennsylvania Fire Academy, the Department of Education, a State-owned education institution, a community college or the Pennsylvania State University.

The legislation provides that an annuitant, whose annuity does not cease upon return to service, shall not be subject to employee contributions and is not eligible for creditable state or school service or participation in the SERS or Public School Employees' Retirement System defined contribution plans.

The legislation is scheduled to take effect immediately and apply only to service performed as a state-certified fire instructor after the effective date.

FISCAL IMPACT:

The enactment of Senate Bill 423 will have no fiscal impact on Commonwealth funds. According to the SERS, there are five or fewer individuals who could be impacted by this legislation. The Independent Fiscal Office indicates that the actuarial impact from the legislation is de minimis.