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House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

COMMITTEES
AGRICULTURE AND RURAL AFFAIRS
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SUB-COMMITTEE CHAIRMAN ON ECONOMIC
IMPACT AND INFRASTRUCTURE
FINANCE
DEMOCRATIC VICE CHAIRMAN
INSURANCE
POLICY

MEMORANDUM

TO: Members of the House of Representatives

FROM: Representative Matt Smith *MKS*

DATE: May 4, 2011

SUBJECT: Co-Sponsorship of Allegheny County Pension Preservation Legislation

In an effort to work towards keeping the Allegheny County Pension Fund actuarially sound, I am working with the Allegheny County Retirement Board to enact the following changes for **future employees only** who are hired or reemployed on or after the effective date of this act.

1. Elimination of overtime in the calculation of pension benefits;
2. Composition of Board – Technical change. This section would be updated for uniformity purposes to the existing language of the Allegheny County Home Rule Charter;
3. Calculation for retirement would be the average monthly compensation received by the County employee during the highest 48 months of the last 8 years of employment on a bi-weekly basis;
4. In order for the Allegheny County Retirement Board (ACRB) to be compliant with the IRS rules and regulations, the proposal gives authority to ACRB to take such actions that are necessary to be in compliance with the IRS rules and regulations on an ongoing basis.

The following is language that was included in HB 2497 PN 4476 State Pension Reform, Act 120 of 2010.

The change in vesting, age, and multiplier for Allegheny County would be the same as passed by the Senate 41-8, October 14, 2010, passed by the House 165-31, November 15, 2010 and signed by Governor Rendell, November 23, 2010.

5. Increase vesting from 8 years to 10 years;
6. Reduce the benefit multiplier from 2.5% to 2%;
7. The provisions will take effect 60 days after enactment.

There will be a companion bill introduced in the Senate by Senators Jay Costa and Jane C. Orie. This legislation is supported by all members of the Allegheny County Retirement Board, including Allegheny County Executive Dan Onorato.

If you would like to co-sponsor this legislation, please contact Jamie Fetter at (717) 783-1850 or jfetter@pahouse.net.