

SUBJECT: Co-Sponsorship Request - Creating a Defined-Contribution Plan For New Members & Staff Of The General Assembly

TO: All Members

FROM: Representative Eli Evankovich

Despite the enactment of state and school pension legislation during the 2009-10 session (Act 120 of 2010), Pennsylvania citizens continue to call for substantial changes to our public pension systems. I believe that the legislative branch must step up and address taxpayer concerns, by serving as an example for the rest of the public sector.

For this reason, I intend to introduce legislation in the near future, which will establish a defined-contribution retirement plan for new members and employees of the General Assembly.

The plan will be mandatory for individuals beginning service or employment with the legislative branch after November 30, 2012. These individuals will not be permitted to join the existing State Employees' Retirement System (SERS) defined-benefit plan.

Additionally, current legislators and employees who are members of the SERS defined benefit plan will have the option of joining the proposed defined-contribution plan and transferring the present value of their accrued-benefits to the defined contribution plan.

My proposed defined contribution plan will allow employees to make retirement contributions through an array of investment options, representing varying degrees of risk. Under the proposal, the employer will match a portion of the employee's contributions.

My proposal WILL NOT in any way change benefits for current employees or members unless they voluntarily switch to the new plan.

My legislation will offer a significant step toward the transformation of our public pension systems in Pennsylvania. I encourage you to cosponsor this important bill. Please contact my secretary Ashley Flook (aflook@pahousegop.com) if you wish to do so.

NO Hard Copy to follow.