

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2559 Session of  
2010

INTRODUCED BY HOUGHTON, McILVAINE SMITH, CONKLIN, MURPHY, BURNS,  
BRENNAN, BRIGGS, CALTAGIRONE, CARROLL, D. COSTA, DALEY,  
DRUCKER, FAIRCHILD, GALLOWAY, GIBBONS, GRELL, HARHAI,  
HARKINS, HENNESSEY, HORNAMAN, KORTZ, LENTZ, MILLARD,  
MIRABITO, PASHINSKI, READSHAW, SANTONI, SIPTROTH, SOLOBAY,  
STABACK, STURLA, R. TAYLOR, WAGNER, YUDICHAK AND BRADFORD,  
JUNE 8, 2010

REFERRED TO COMMITTEE ON FINANCE, JUNE 8, 2010

AN ACT

1 Establishing the Public Employee Pension Commission and  
2 providing for its powers and duties.

3 The General Assembly of the Commonwealth of Pennsylvania  
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the Public  
7 Employee Pension Commission Act.

8 Section 2. Definitions.

9 The following words and phrases when used in this act shall  
10 have the meanings given to them in this section unless the  
11 context clearly indicates otherwise:

12 "Commission." The Public Employee Pension Commission  
13 established under section 3.

14 "Pension systems." The Public School Employees' Retirement  
15 System and the State Employees Retirement System.

1 Section 3. Commission established.

2 The Public Employee Pension Commission is established. The  
3 commission shall study and make recommendations under section 5  
4 with respect to the pension systems, including both short-term,  
5 as well as long-term, solutions to fill funding gaps and  
6 guarantee fiscal solvency.

7 Section 4. Membership.

8 (a) Appointments.--The commission shall consist of ten  
9 members, who shall be appointed as follows:

10 (1) Four legislative appointees as follows:

11 (i) One individual appointed by the President pro  
12 tempore of the Senate.

13 (ii) One individual appointed by the Minority Leader  
14 of the Senate.

15 (iii) One individual appointed by the Speaker of the  
16 House of Representatives.

17 (iv) One individual appointed by the Minority Leader  
18 of the House of Representatives.

19 (2) Chairperson of the Public School Employees'  
20 Retirement System.

21 (3) Chairperson of the State Employees Retirement  
22 System.

23 (4) One at-large member appointed by the Governor, with  
24 special consideration given to individuals who have knowledge  
25 of public pension systems and financial matters.

26 (5) Executive director or a designee of the Pennsylvania  
27 School Boards Association.

28 (6) President or a designee of the Pennsylvania State  
29 Education Association.

30 (7) One at-large member chosen jointly by the President

1 pro tempore of the Senate and the Speaker of the House of  
2 Representatives from the financial business community that  
3 has knowledge of public pension systems and financial  
4 matters.

5 (b) Term.--All members shall be appointed within 30 days of  
6 passage of this act and shall serve until the commission  
7 releases its recommendations under section 5. If a member ceases  
8 to hold the office for which he was originally placed on the  
9 commission, a replacement shall be picked according to  
10 subsection (a) to serve until the commission releases its  
11 report.

12 (c) Compensation and expenses.--Members of the commission  
13 shall serve without compensation but shall be reimbursed for  
14 reasonable expenses incurred in carrying out the  
15 responsibilities under this act.

16 (d) Chairperson.--The members of the commission shall elect  
17 a member as chairperson of the commission.

18 (e) Action.--Seven members shall constitute a quorum. A  
19 majority of the members present at any meeting of the commission  
20 shall be required for all actions of the commission.

21 (f) Cooperation.--The commission may request and receive  
22 assistance and information from any unit of State government.

23 (g) Frequency of meetings.--The commission shall hold at  
24 least two meetings per month.

#### 25 Section 5. Duties.

26 (a) Study.--The commission shall complete a study which  
27 includes:

28 (1) Funding recommendations to mitigate the projected  
29 rate spike.

30 (2) Recommended measures to ensure the limitation of

1       taxation for the purpose of funding the systems.

2           (3) An analysis of long-term systematic changes to help  
3       ensure solvency of the pension systems, including a change to  
4       a defined contribution plan for future hires.

5       (b) Report.--Within six months of the formation of the  
6       commission, the commission shall prepare and present to the  
7       Governor and the General Assembly a report with recommendations  
8       with regard to mitigating the rate spike associated with the  
9       pension systems and ensuring fiscal solvency in the future.

10      Section 6. Effective date.

11      This act shall take effect immediately.