

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL**No. 67** Session of
2019

INTRODUCED BY RYAN, BARRAR, BERNSTINE, GLEIM, GROVE, JAMES,
KAUFFMAN, MILLARD, STURLA AND ZIMMERMAN, JANUARY 28, 2019

REFERRED TO COMMITTEE ON FINANCE, JANUARY 28, 2019

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled,
2 as amended, "An act relating to the finances of the State
3 government; providing for cancer control, prevention and
4 research, for ambulatory surgical center data collection, for
5 the Joint Underwriting Association, for entertainment
6 business financial management firms, for private dam
7 financial assurance and for reinstatement of item vetoes;
8 providing for the settlement, assessment, collection, and
9 lien of taxes, bonus, and all other accounts due the
10 Commonwealth, the collection and recovery of fees and other
11 money or property due or belonging to the Commonwealth, or
12 any agency thereof, including escheated property and the
13 proceeds of its sale, the custody and disbursement or other
14 disposition of funds and securities belonging to or in the
15 possession of the Commonwealth, and the settlement of claims
16 against the Commonwealth, the resettlement of accounts and
17 appeals to the courts, refunds of moneys erroneously paid to
18 the Commonwealth, auditing the accounts of the Commonwealth
19 and all agencies thereof, of all public officers collecting
20 moneys payable to the Commonwealth, or any agency thereof,
21 and all receipts of appropriations from the Commonwealth,
22 authorizing the Commonwealth to issue tax anticipation notes
23 to defray current expenses, implementing the provisions of
24 section 7(a) of Article VIII of the Constitution of
25 Pennsylvania authorizing and restricting the incurring of
26 certain debt and imposing penalties; affecting every
27 department, board, commission, and officer of the State
28 government, every political subdivision of the State, and
29 certain officers of such subdivisions, every person,
30 association, and corporation required to pay, assess, or
31 collect taxes, or to make returns or reports under the laws
32 imposing taxes for State purposes, or to pay license fees or
33 other moneys to the Commonwealth, or any agency thereof,
34 every State depository and every debtor or creditor of the

1 Commonwealth," in additional special funds, providing for
2 Unfunded Liability Solvency Reserve Fund.

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

5 Section 1. Article XVII-A.1 of the act of April 9, 1929
6 (P.L.343, No.176), known as The Fiscal Code, is amended by
7 adding a subarticle to read:

8 SUBARTICLE G

9 UNFUNDED LIABILITY SOLVENCY RESERVE FUND

10 Section 1761-A.1. Definitions.

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

14 "Public retirement funds." The State Employees' Retirement
15 Fund and the Public School Employees' Retirement Fund.

16 "Public School Employees' Retirement Fund." The fund
17 established under 24 Pa.C.S. Pt. IV (relating to retirement for
18 school employees).

19 "Solvency Reserve Fund." The Unfunded Liability Solvency
20 Reserve Fund established under section 1762-A.1.

21 "State Employees' Retirement Fund." The fund established
22 under 71 Pa.C.S. Pt. XXV (relating to retirement for State
23 employees and officers).

24 Section 1762-A.1. Unfunded Liability Solvency Reserve Fund.

25 (a) Establishment.--There is established within the State
26 Treasury a special fund to be known as the Unfunded Liability
27 Solvency Reserve Fund.

28 (b) Deposits.--The following shall be deposited in the
29 Solvency Reserve Fund:

30 (1) If the Secretary of the Budget certifies that there
31 is a surplus in the General Fund for a specific fiscal year,

1 any amount of the surplus which is not deposited in the
2 Budget Stabilization Reserve Fund under section 1702-A(b). A
3 deposit under this paragraph shall be deposited by the end of
4 the next succeeding quarter into the Solvency Reserve Fund.

5 (2) Any amount appropriated to the Solvency Reserve Fund
6 by the General Assembly.

7 (3) Any amount transferred to the Solvency Reserve Fund
8 by law.

9 (c) Appropriations.--Money in the Solvency Reserve Fund
10 shall only be appropriated to the public retirement funds in
11 accordance with subsections (d), (e), (f) and (g).

12 (d) Restrictions on appropriations.--Money in the Solvency
13 Reserve Fund shall be appropriated for the following purposes:

14 (1) To make an additional contribution to the Public
15 School Employees' Retirement Fund in excess of the
16 actuarially required contribution for the fiscal year.

17 (2) To make an additional contribution to the State
18 Employees' Retirement Fund in excess of the actuarially
19 required contribution for the fiscal year.

20 (e) Treatment of transfers.--Amounts transferred to the
21 public retirement funds must be in addition to required annual
22 employer contributions required under 24 Pa.C.S. §§ 8326
23 (relating to contributions by the Commonwealth) and 8327
24 (relating to payments by employers) and 71 Pa.C.S. § 5507
25 (relating to contributions to the system by the Commonwealth and
26 other employers) and may not be used to replace any portion of
27 the annual employer contributions certified by the boards under
28 24 Pa.C.S. § 8328 (relating to actuarial cost method) and 71
29 Pa.C.S. §§ 5507, 5508 (relating to actuarial cost method) and
30 5902(k) (relating to administrative duties of the board). The

1 Public School Employees' Retirement Board and the State
2 Employees' Retirement Board shall accept the transferred money
3 and apply the money to offset the current unfunded actuarial
4 accrued liabilities of the public retirement funds.

5 (f) Certifications.--On July 1, 2019, and July 1 of each
6 subsequent year, the Secretary of the Budget shall certify the
7 following:

8 (1) The total unfunded actuarial accrued liabilities of
9 the Public School Employees' Retirement Fund.

10 (2) The total unfunded actuarial accrued liabilities of
11 the State Employees' Retirement Fund as determined by the
12 State Employees' Retirement Board in the most recent
13 actuarial valuation of the State Employees' Retirement
14 system.

15 (g) Amounts.--The following shall apply:

16 (1) For the 2019-2020 fiscal year and each subsequent
17 fiscal year, the following amounts are appropriated from the
18 Solvency Reserve Fund to the Public School Employees'
19 Retirement Fund:

20 (i) The total amount in the Solvency Reserve Fund as
21 of the first day of the fiscal year, multiplied by a
22 quotient, the numerator of which is the amount certified
23 under subsection (f)(1) and the denominator of which is
24 the total amount certified under subsection (f).

25 (ii) (Reserved).

26 (2) For the 2019-2020 fiscal year and each subsequent
27 fiscal year, the following amounts are appropriated from the
28 Solvency Reserve Fund to the State Employees' Retirement
29 Fund:

30 (i) The total amount in the Solvency Reserve Fund as

1 of the first day of the fiscal year, multiplied by a
2 quotient, the numerator of which is the amount certified
3 under subsection (f)(2) and the denominator of which is
4 the total amount certified under subsection (f).

5 (ii) (Reserved).

6 (h) Recognition of amounts appropriated from the Solvency
7 Reserve Fund.--Amounts received by the State Employees'

8 Retirement Fund under this subarticle shall be recognized by the
9 State Employees' Retirement Board as part of the experience
10 adjustment factor under 71 Pa.C.S. § 5508(f) as a percentage of
11 all the active members and active participants.

12 Section 2. This act shall take effect in 120 days.