

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1008 Session of 2021

INTRODUCED BY RYAN, STAATS, MENTZER, GROVE, KAUFFMAN, GAYDOS,
MOUL AND B. MILLER, MARCH 24, 2021

REFERRED TO COMMITTEE ON FINANCE, MARCH 24, 2021

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled
 2 "An act relating to the finances of the State government;
 3 providing for cancer control, prevention and research, for
 4 ambulatory surgical center data collection, for the Joint
 5 Underwriting Association, for entertainment business
 6 financial management firms, for private dam financial
 7 assurance and for reinstatement of item vetoes; providing for
 8 the settlement, assessment, collection, and lien of taxes,
 9 bonus, and all other accounts due the Commonwealth, the
 10 collection and recovery of fees and other money or property
 11 due or belonging to the Commonwealth, or any agency thereof,
 12 including escheated property and the proceeds of its sale,
 13 the custody and disbursement or other disposition of funds
 14 and securities belonging to or in the possession of the
 15 Commonwealth, and the settlement of claims against the
 16 Commonwealth, the resettlement of accounts and appeals to the
 17 courts, refunds of moneys erroneously paid to the
 18 Commonwealth, auditing the accounts of the Commonwealth and
 19 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 and restricted
2 accounts, providing for Unfunded Liability Solvency Reserve
3 Fund.

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

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

9 SUBARTICLE J

10 UNFUNDED LIABILITY SOLVENCY RESERVE FUND

11 Section 1791-A.1. Definitions.

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

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

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

20 "Solvency Reserve Fund." The Unfunded Liability Solvency
21 Reserve Fund established under section 1792-A.1.

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

25 Section 1792-A.1. Unfunded Liability Solvency Reserve Fund.

26 (a) Establishment.--The Unfunded Liability Solvency Reserve
27 Fund is established within the State Treasury as a special fund.

28 (b) Deposits.--The following shall be deposited into 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 into 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, 2021, 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 2021-2022 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 2021-2022 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.