



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

SENATE BILL NO. 113

PRINTERS NO. 398

PRIME SPONSOR: DiSanto

### COST / (SAVINGS)

FUND	FY 2018/19	FY 2019/20
General Fund	\$0	\$0
Public School Employees' Retirement Fund	\$0	\$0
State Employees' Retirement Fund	\$0	\$0

**SUMMARY:** Senate Bill 113, printer's number 398, amends the act of July 8, 1978 (P.L. 752, No. 140), known as the Public Employee Pension Forfeiture Act, to add definitions, for disqualification and forfeiture of pension benefits and for restitution for monetary loss; and to repeal a retroactivity provision.

Except for the provisions pertaining to the Administrative Office of Pennsylvania Courts, which take effect in 60 days, the effective date is immediately after enactment.

**ANALYSIS:** The bill adds a definition for "benefits administrator" to the Public Employee Pension Forfeiture Act. The definition of "crimes related to public office or public employment" is also amended to provide that public pension benefit forfeiture shall occur when a public official or employee is found guilty of any state or federal criminal offense classified as a felony or is punishable by a term of imprisonment exceeding five years. Upon the finding of guilt of a public official or public employee, or upon the entry of a plea of guilty or nolo contendere, the Administrative Office of Pennsylvania Courts shall notify the appropriate benefits administrator of such finding, and until restitution is determined by the court, the benefits administrator shall not make payment of any refund of contributions applied for until the court notifies the benefits administrator that no restitution is due. Language is added to the Act to specify the forfeiture shall not be stayed or affected by the pendency of an appeal.

Section 7 of the Public Employee Pension Forfeiture Act is also repealed by the bill. Section 7 made the provisions of the act retroactive to December 1, 1972. Court rulings have deemed the retroactive application of the act unconstitutional.

**FISCAL IMPACT:** The enactment of this legislation will have no adverse impact on Commonwealth funds. The Independent Fiscal Office issued a letter on the actuarial cost impact of the legislation and reported the legislation would have a de minimis impact on the State Employees' Retirement Fund and the Public School Employees' Retirement Fund since the pension forfeiture provisions would apply prospectively to a limited number of individuals.

**PREPARED BY:** Lisa Taglang  
House Appropriations Committee (R)

**DATE:** March 18, 2019

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*