



# Senate Finance Committee

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## BILL SUMMARY

### SENATE BILL 826, PN 1009 (SENATOR ARMSTRONG)

#### *Summary:*

This legislation amends Title 71 (State Government), further providing for actuarial cost method.

Specifically, this legislation provides that the employer contribution rate on behalf of active members shall be no less than 4% for each fiscal year after 2006.

#### *Background:*

In his FY 07-08 budget, Governor Rendell appropriately level funds the employer contribution rate to SERS at 4%. This rate will dramatically reduce future increases in employer contributions.

SERS has advised that they will, as required by law, certify an actuarial contribution rate of less than 2%. Senate Bill 826 is necessary to facilitate the contribution of funds at the 4% rate.