

Regulatory Analysis Form		This space for use by IRRC RECEIVED
(1) Agency State Employees' Retirement System		2008 JAN 18 PM 12:14 INDEPENDENT REGULATORY REVIEW COMMISSION
(2) I.D. Number (Governor's Office Use) 31-9		IRRC Number: 2670
(3) Short Title Electronic Submission of Documents and Electronic Transactions.		
(4) PA Code Cite 4 Pa. Code § 241.2	(5) Agency Contacts & Telephone Numbers Jill Straub, Esq. (717) 783-7317 Robert Gentzel (717) 787-9657 David Durbin (717) 783-7310	
(6) Type of Rulemaking (Check One) <input checked="" type="checkbox"/> Proposed Rulemaking <input type="checkbox"/> Final Order Adopting Regulation <input type="checkbox"/> Final Order, Proposed Rulemaking Omitted		(7) Is a 120-Day Emergency Certification Attached? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes: By the Attorney General <input type="checkbox"/> Yes: By the Governor
(8) Briefly explain the regulation in clear and nontechnical language. This new regulation authorizes SERS, to the extent authorized by a policy adopted by the Board, to allow members to submit documents or conduct benefit transactions using electronic media. The submission of documents and the conduct of benefit transactions using electronic media must be in accordance with the Commonwealth of Pennsylvania Electronic Transactions Act, 73 P.S. §2260.101 <i>et seq.</i> , and other applicable laws of the Commonwealth.		
(9) State the statutory authority for the regulation and any relevant state or federal court decisions. 71 Pa. C.S. § 5902(h) and the Commonwealth of Pennsylvania Electronic Transactions Act, 73 P.S. §2260.101 <i>et seq.</i>		

Regulatory Analysis Form

(10) Is the regulation mandated by any federal or state law or court order, or federal regulation? If yes, cite the specific law, case or regulation, and any deadlines for action.

No.

(11) Explain the compelling public interest that justifies the regulation. What is the problem it addresses?

Currently, the only way for members of SERS to submit documents to and conduct benefit transactions with SERS is through the use of paper documents. The regulation will permit the Board to establish an additional way for members to submit documents to and conduct benefit transactions with SERS, making the process of submitting documents and conducting benefits transactions easier and more streamlined for members.

(12) State the public health, safety, environmental or general welfare risks associated with non-regulation.

None.

(13) Describe who will benefit from the regulation. (Quantify the benefits as completely as possible and approximate the number of people who will benefit.)

All members when submitting documents to and conducting benefits transactions with SERS. SERS membership currently exceeds 200,000.

Regulatory Analysis Form

(14) Describe who will be adversely affected by the regulation. (Quantify the adverse effect as completely as possible and approximate the number of people who will be adversely affected.)

No one.

(15) List the persons, groups or entities that will be required to comply with the regulation. (Approximate the number of people who will be required to comply.)

All members who desire to submit documents to or conduct benefit transactions with SERS using electronic media. SERS membership currently exceeds 200,000.

(16) Describe the communications with and input from the public in the development and drafting of the regulation. List the persons and/or groups who were involved, if applicable.

None.

(17) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures which may be required.

The regulation may provide a more convenient, less costly and less time consuming means for members to submit documents to or conduct benefit transactions with SERS.

Regulatory Analysis Form

(18) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures which may be required.

None.

(19) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting or consulting procedures which may be required.

Currently, the only way for members of SERS to submit documents to and conduct benefit transactions with SERS is through the use of paper documents. The regulation will permit the Board to establish an additional way for members to submit documents to and conduct benefit transactions with SERS, making the process of submitting documents and conducting benefits transactions easier and more streamlined for members.

Regulatory Analysis Form

(20) In the table below, provide an estimate of the fiscal savings and cost associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

	Current FY Year	FY +1 Year	FY +2 Year	FY +3 Year	FY +4 Year	FY +5 Year
SAVINGS:	\$	\$	\$	\$	\$	\$
Regulated Community						
Local Government						
State Government						
Total Savings						
COSTS:						
Regulated Community						
Local Government						
State Government						
Total Costs						
REVENUE LOSSES:						
Regulated Community						
Local Government						
State Government						
Total Revenue Losses						

(20a) Explain how the cost estimates listed above were derived.

N/A

Regulatory Analysis Form

(20b) Provide the past three year expenditure history for programs affected by the regulation.

Program	FY-3	FY-2	FY-1	Current FY

(21) Using the cost-benefit information provided above, explain how the benefits of the regulation outweigh the adverse effects and costs.

N/A

(22) Describe the nonregulatory alternatives considered and the costs associated with those alternatives. Provide the reasons for their dismissal.

N/A

(23) Describe alternative regulatory schemes considered and the costs associated with those schemes. Provide the reasons for their dismissal.

N/A

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(24) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulation.

N/A

(25) How does the regulation compare with those of other states? Will the regulation put Pennsylvania at a competitive disadvantage with other states?

N/A

(26) Will the regulation affect existing or proposed regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

No.

(27) Will any public hearings or informational meetings be scheduled? Please provide the dates, times, and locations, if available.

No.

Regulatory Analysis Form

(28) Will the regulation change existing reporting, record keeping, or other paperwork requirements? Describe the changes and attach copies of forms or reports which will be required as a result of implementation, if available.

To the extent documents are submitted to or benefit transactions are conducted with SERS using electronic media, record keeping will be modified as appropriate.

(29) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.

N/A

(30) What is the anticipated effective date of the regulation; the date by which compliance with the regulation will be required; and the date by which any required permits, licenses or other approvals must be obtained?

The regulation is anticipated to be effective upon final publication.

(31) Provide the schedule for continual review of the regulation.

N/A

CDL-1

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FACE SHEET
FOR FILING DOCUMENTS
WITH THE LEGISLATIVE REFERENCE BUREAU
INDEPENDENT REGULATORY REVIEW COMMISSION

(Pursuant to Commonwealth Documents Law)

DO NOT WRITE IN THIS SPACE

Copy below is hereby approved as to form and legality. Attorney General

Copy below is hereby certified to be a true and correct copy of a document issued, prescribed or promulgated by:

Copy below is approved as to form and legality. Executive or Independent Agencies.

BY: Amy M. Elliott
(DEPUTY ATTORNEY GENERAL)

State Employees' Retirement System
(AGENCY)

BY: Andrew C. Clark

NOV 21 2007

DOCUMENT/FISCAL NOTE NO. 31-9

OCT 26 2007

DATE OF APPROVAL

DATE OF ADOPTION: September 12, 2007

DATE OF APPROVAL

BY: Leonard Knepp
Leonard Knepp

TITLE: Acting Executive Director
(EXECUTIVE OFFICER, CHAIRMAN OR SECRETARY)

Check if applicable
Copy not approved.
Objections attached.

Check if applicable.
No Attorney General approval
or objection within 30 days
after submission.

PROPOSED RULEMAKING
COMMONWEALTH OF PENNSYLVANIA

4 PA.CODE, CH. 241, SECTION 241.2

This new regulation authorizes SERS, to the extent authorized by a policy adopted by the Board, to allow members to submit documents to or conduct benefit transactions with SERS using electronic media. The submission of documents to and the conduct of benefit transactions with SERS using electronic media must be in accordance with the Commonwealth of Pennsylvania Electronic Transactions Act, 73 P.S. §2260.101 et seq., and other applicable laws of the Commonwealth.

**Notice of Proposed Rulemaking
State Employees' Retirement Board
State Employees' Retirement System
(4 Pa. Code Chapter 241)**

Preamble

The State Employees' Retirement Board ("Board") proposes to amend 4 Pa. Code, Chapter 241 by adding Section 241.2 as a new regulation pertaining to the electronic submission of documents and electronic transactions.

A. Effective Date

The proposed regulation will go into effect upon publication in the *Pennsylvania Bulletin* as a final rulemaking.

B. Contact Person

For further information contact Robert Gentzel, Director of Communications and Policy, State Employees' Retirement System, 30 North Third Street, Suite 150, Harrisburg, PA 17101-1716, (717) 787-9657, or Jill Straub, Assistant Counsel, State Employees' Retirement System, 30 North Third Street, Suite 150, Harrisburg, PA 17101-1716, (717) 783-7317. Information regarding submitting comments on this proposal appears in Section H of this preamble.

C. Statutory Authority

This proposed rulemaking is being made under the authority of 71 Pa. C.S. §5902(h) and the Commonwealth of Pennsylvania Electronic Transactions Act, 73 P.S. §2260.101 *et seq.*

D. Background and Purpose

This new regulation authorizes SERS, to the extent authorized by a policy adopted by the Board, to allow members to submit documents or conduct benefit transactions using electronic media. The submission of documents and the conduct of benefit transactions using electronic media must be in accordance with the Commonwealth of Pennsylvania Electronic Transactions Act, 73 P.S. §2260.101 *et seq.*, and other applicable laws of the Commonwealth.

E. Benefits, Costs and Compliance

Executive Order 1996-1 requires a cost/benefit analysis of the proposed regulation.

Benefits

The regulation is intended to permit the Board to establish a policy whereby members of SERS may submit documents to and conduct electronic benefit transactions with SERS using electronic media. This regulation, once it is implemented, may save both time and cost to SERS' members.

Costs

There are no costs to the Commonwealth, its citizens or state employees associated with this proposal.

Compliance Costs

The proposed amendment is not expected to impose any additional compliance costs.

F. Sunset Review

Not applicable.

G. Regulatory Review

Under Section 5(a) of the Regulatory Review Act (71 P.S. § 745.5(a)), on January 18, 2008, the Board submitted a copy of the proposed regulation to the Independent Regulatory Review Commission (IRRC) and the Chairpersons of the House State Government Committee and the Senate Finance Committee. In addition to submitting the proposed amendment, the Board has provided IRRC and the Committees with a detailed regulatory analysis form prepared by the Board in compliance with Executive Order 1996-1, "Regulatory Review and Promulgation." A copy of this material is available to the public upon request.

Under section 5(g) of the Regulatory Review Act, if IRRC has objections to any portion of the proposed regulation, it will notify the Board within 10 days of the close of the Committees' review period. The notification shall specify the regulatory review criteria that have not been met by the portion of the proposed regulation to which an objection has been made. The Regulatory Review Act specifies detailed procedures for review by the General Assembly and the Governor of objections raised by IRRC prior to final publication of the regulation by the Board.

H. Public Comments

Written Comments - Interested persons are invited to submit comments regarding the proposed regulation to Robert Gentzel, Director of Communications and Policy, State Employees' Retirement System, 30 North Third Street, Suite 150, Harrisburg, PA 17101-1716. Comments submitted by facsimile will not be accepted. The Board must receive comments, suggestions, or objections within 30 days of publication in the *Pennsylvania Bulletin*.

Electronic Comments - Comments may be submitted electronically to the Board at rgentzel@state.pa.us and must be received by the Board within 30 days of publication in the *Pennsylvania Bulletin*. A subject heading of the proposal and a return name and address must be included in each transmission. If an acknowledgment of electronic comments is not received by the sender within two working days, the comments should be retransmitted to ensure receipt.

NICHOLAS J. MAIALE
Chairman
State Employees' Retirement Board

ANNEX "A"

(Deletions appear in brackets; new language is underscored)

4 Pa. Code Chapter 241

§ 241.2. Electronic Submission of Documents and Electronic Transactions.

- (a) SERS may, in accordance with the Commonwealth of Pennsylvania Electronic Transactions Act, 73 P.S. §2260.101 et seq., and other applicable laws of the Commonwealth, and to the extent authorized by a policy adopted by the Board, allow members to submit documents or conduct benefit transactions using electronic media.
- (b) A policy adopted by the Board may include provisions requiring a member using electronic media:
- (1) to acknowledge that SERS will not be held responsible in the event the document submitted using electronic media is not accurately received by SERS;
 - (2) to agree to hold SERS harmless in the event of any fraud, mistake or negligence, whether intentional or unintentional, in connection with filings made or transactions conducted using electronic media; and
 - (3) to agree to indemnify SERS for any losses that may result directly or indirectly from filings made or transactions conducted using electronic media.

**TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO THE
REGULATORY REVIEW ACT**

RECEIVED

I.D. NUMBER: 31-9
 SUBJECT: ELECTRONIC SUBMISSION OF DOCUMENTS AND ELECTRONIC
 TRANSACTIONS
 AGENCY: STATE EMPLOYEES' RETIREMENT SYSTEM

2008 JAN 18 PM 12:14

INDEPENDENT REGULATORY
 REVIEW COMMISSION

TYPE OF REGULATION

- X Proposed Regulation
- Final Regulation
- Final Regulation with Notice of Proposed Rulemaking Omitted
- 120-day Emergency Certification of the Attorney General
- 120-day Emergency Certification of the Governor
- Delivery of Tolled Regulation
 - a. With Revisions
 - b. Without Revisions

FILING OF REGULATION

DATE	SIGNATURE	DESIGNATION
1/18/08	<i>Arthur J. Hill</i>	HOUSE COMMITTEE ON STATE GOVERNMENT
1/18/08	<i>Marianne Spizzuri</i>	MAJORITY CHAIRMAN <i>Babette Josephs</i>
1/18/08	<i>J. Kelly</i>	SENATE COMMITTEE ON FINANCE
1/18/08	<i>Bob Jones</i>	MAJORITY CHAIRMAN <i>Patrick M. Braune</i>
1/18/08	<i>J. Belmont</i>	INDEPENDENT REGULATORY REVIEW COMMISSION
		ATTORNEY GENERAL (for Final Omitted only)
1/18/08	<i>Marya Garcia</i>	LEGISLATIVE REFERENCE BUREAU (for Proposed only)