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INDEPENDENT REGULATORY REVIEW COMMISSION

333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

April 2, 2008

Leonard M. Knepp, C.P.A., Acting Executive Director
State Employees' Retirement Board
30 North Third Street
Harrisburg, PA 17108-1147

Re: Regulation #31-9 (IRRC #2670)
State Employees' Retirement Board
Electronic Submission of Documents and Electronic Transactions

Dear Mr. Knepp:

Enclosed are the Commission's comments for consideration when you prepare the final version of this regulation. These comments are not a formal approval or disapproval of the regulation. However, they specify the regulatory review criteria that have not been met.

The comments will be available on our website at www.irrc.state.pa.us. If you would like to discuss them, please contact me.

Sincerely,

Kim Kaufman
Executive Director

wbg

Enclosure

cc: Honorable Patrick M. Browne, Chairman, Senate Finance Committee
Honorable John N. Wozniak, Minority Chairman, Senate Finance Committee
Honorable Babette Josephs, Majority Chairman, House State Government Committee
Honorable Matthew E. Baker, Minority Chairman, House State Government Committee

Comments of the Independent Regulatory Review Commission

on

State Employees' Retirement Board Regulation #31-9 (IRRC #2670)

Electronic Submission of Documents and Electronic Transactions

April 2, 2008

We submit for your consideration the following comments on the proposed rulemaking published in the February 2, 2008 *Pennsylvania Bulletin*. Our comments are based on criteria in Section 5.2 of the Regulatory Review Act (71 P.S. § 745.5b). Section 5.1(a) of the Regulatory Review Act (71 P.S. § 745.5a(a)) directs the State Employees' Retirement Board (Board) to respond to all comments received from us or any other source.

1. General. – Need; Reasonableness.

Through this proposed regulation, the Board intends to allow members to submit documents or conduct benefit transactions using electronic media. However, the Electronic Transactions Act already provides governmental agencies, including the Board, the latitude to decide whether or not to accept electronic records. (73 P.S. § 2260.502). Therefore, we question the need for this regulation and recommend that it be withdrawn.

Further, the purpose of a regulation is to set forth language that guides the regulated community in complying with existing statutes. Therefore, if the Board intends to promulgate a regulation pertaining to the electronic filing of documents, the requirements of such filings should be included in the regulation. To give the regulated community the opportunity to provide input on these provisions, as required by the Regulatory Review Act (71 P.S. §§ 745.1 *et seq.*), the Board should propose a new regulation that includes the specific requirements for electronic filing.

2. Section 241.2. Electronic submission of documents and electronic transactions. – Clarity.

The language in this proposed regulation uses the terms “System” and “SERS” interchangeably. For clarity, the Board should use one term consistently throughout the regulation.

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REVIEW COMMISSION

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INDEPENDENT REGULATORY REVIEW COMMISSION
333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

To: Bob Gentzel
Agency: State Employees' Retirement Board
Phone: 7-9657
Fax: 3-7300
Date: April 2, 2008
Pages: 3

Comments: We are submitting the Independent Regulatory Review Commission's comments on the State Employees' Retirement Board's regulation #31-9 (IRRC #2670). Upon receipt, please sign below and return to me immediately at our fax number 783-2664. We have sent the original through interdepartmental mail. You should expect delivery in a few days. Thank you.

Accepted by: Michelle Skason Date: 4/2/08

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