

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) 31-8		IRRC Number: 2671
(3) Short Title Definitions.		
(4) PA Code Cite 4 Pa. Code § 241.1	(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 amendment will clarify the definition of the term "beneficiary" by defining the words "person or persons." It also removes the gender specific terms currently in the regulation and replaces them with gender neutral terms. Finally, it removes the operative provisions regarding payment to an estate or next of kin if a beneficiary is not designated by a member.		
(9) State the statutory authority for the regulation and any relevant state or federal court decisions. 71 Pa. C.S. §5902(h).		

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(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?

The amendment to the regulation will assist members of SERS when completing a nomination of beneficiary form. This amendment clarifies who may be named as a beneficiary by a SERS member.

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

N/A

(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 and their beneficiaries. This amendment will assist members in understanding who may be named as a beneficiary for their retirement account. SERS membership currently exceeds 200,000.

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(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 when designating a beneficiary for their retirement account. 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.

N/A

(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 could save significant litigation costs and delays stemming from disputes regarding designation of beneficiaries on a SERS member's retirement account.

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(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.

The regulation could save significant litigation costs to the agency and its over 200,000 members.

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(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

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(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.

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(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.

No.

(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

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FACE SHEET
FOR FILING DOCUMENTS
WITH THE LEGISLATIVE REFERENCE BUREAU
(Pursuant to Commonwealth Documents Law)

2008 JAN 18 PM 12:14

INDEPENDENT REGULATORY
REVIEW COMMISSION

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.

[Signature]
BY: _____
(DEPUTY ATTORNEY GENERAL)

State Employees' Retirement System

(AGENCY)

[Signature]
BY: _____
Andrew C. Clark
NOV 20 2007

DOCUMENT/FISCAL NOTE NO. 31-8

JAN 10 2008

DATE OF APPROVAL

DATE OF ADOPTION: September 12, 2007

DATE OF APPROVAL

[Signature]
BY: _____
Leonard Knepp

Acting Executive Director
TITLE: _____
(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 241.1

This amendment to 4 Pa. Code § 241.1 clarifies the definition of the term "beneficiary" by defining the words "person or persons." It also removes the gender specific terms currently in the regulation and replaces them with gender neutral terms. Finally, it removes the operative provisions regarding payment to an estate or next of kin if a beneficiary is not designated by a member.

**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 amending Section 241.1 regarding the definition of "beneficiary."

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 Section 5902(h) of the State Employees' Retirement Code ("Retirement Code"), 71 Pa.C.S. Sections 5101 *et seq.*

D. Background and Purpose

This amendment will clarify the definition of the term "beneficiary" by defining the words "person or persons." It also removes the gender specific terms currently in the regulation and replaces them with gender neutral terms. Finally, it removes the operative provisions regarding payment to an estate or next of kin if a beneficiary is not designated by a member.

E. Benefits, Costs and Compliance

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

Benefits

The regulation is intended to alleviate confusion and prevent possible disputes with regard to proper naming of beneficiaries by 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 on state employees.

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 amendment 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 amendment, 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 amendment 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 amendment by the Board.

H. Public Comments

Written Comments - Interested persons are invited to submit comments regarding the proposed regulation amendment 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 § 241.1. **Definitions.**

Beneficiary—The person or persons, as defined in 1 Pa.C.S. §1991 (relating to the General Provisions of Statutory Construction), last designated in writing to the Board by a member to receive [his] the member's accumulated deductions or a lump sum benefit upon the death of [such] the member. [If one is not designated, the recipient shall be the estate of the member or next of kin under 20 Pa.C.S. § 3101 (relating to payments to family and funeral directors), to the extent applicable.]

TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO THE
REGULATORY REVIEW ACT

RECEIVED

I.D. NUMBER: 31-8
SUBJECT: DEFINITIONS
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
1/16/08	<i>Antoinette Hill</i>	HOUSE COMMITTEE ON STATE GOVERNMENT
1/18/08	<i>Marianne Spizziri</i>	MAJORITY CHAIRMAN <i>Babette Josephs</i>
1/18/08	<i>John Myer</i>	SENATE COMMITTEE ON FINANCE
1/18/08	<i>Burt Jone</i>	MAJORITY CHAIRMAN <i>Patrick m. Browne</i>
1/18/08	<i>J. Selnett</i>	INDEPENDENT REGULATORY REVIEW COMMISSION
		ATTORNEY GENERAL (for Final Omitted only)
1/18/08	<i>Maya Garas</i>	LEGISLATIVE REFERENCE BUREAU (for Proposed only)