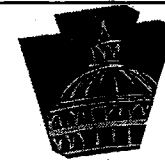


Regulatory Analysis Form

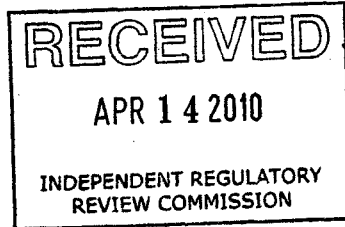
(Completed by Promulgating Agency)



IRRC

Independent Regulatory Review Commission

SECTION I: PROFILE



2836

(1) Agency:

State Employees' Retirement System

(2) Agency Number:

Identification Number: 31-13

(3) Short Title:

Exemption from execution; assignment of rights.

(4) PA Code Cite:

4 Pa.Code § 249.53

(5) Agency Contacts (List Telephone Number, Address, Fax Number and Email Address):

Primary Contact: Robert Gentzel, 717-787-9657; 30 N. 3rd Street Suite 150, Harrisburg, PA 17101-1716; Fax# 783-7300; rgentzel@state.pa.us

Secondary Contact: Brian E. McDonough, Esq., 717-783-7317; 30 N.3rd Street Suite 150, Harrisburg, PA 17101-1716; Fax# 717-787-5751; bmcdonough@state.pa.us

(6) Primary Contact for Public Comments (List Telephone Number, Address, Fax Number and Email Address) – Complete if different from #5:

(All Comments will appear on IRRC'S website)

(7) Type of Rulemaking (check applicable box):

Proposed Regulation

Final Regulation

Final Omitted Regulation

Emergency Certification Regulation;

Certification by the Governor

Certification by the Attorney General

Regulatory Analysis Form

(8) Briefly explain the regulation in clear and nontechnical language. (100 words or less)

This proposed regulation deletion would remove State Employees' Credit Union payment language. The language is obsolete. No credit union currently meets the statutory requirements and it is unlikely that any new ones will. A corresponding statutory amendment is also being considered. The language concerning payment priority in the event of member indebtedness to the Commonwealth is included in the proposed comprehensive regulation on priority of payments from member benefits—proposed 4 Pa.Code § 247.11. (31-7).

(9) Include a schedule for review of the regulation including:

- | | |
|---|------------------------------------|
| A. The date by which the agency must receive public comments: | 30 days from initial publication |
| B. The date or dates on which public meetings or hearings will be held: | None |
| C. The expected date of promulgation of the proposed regulation as a final-form regulation: | Upon approval |
| D. The expected effective date of the final-form regulation: | Upon final publication |
| E. The date by which compliance with the final-form regulation will be required: | Immediately upon final publication |
| F. The date by which required permits, licenses or other approvals must be obtained: | n/a |

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

Regulatory Analysis Form

None.

SECTION II. STATEMENT OF NEED

(11) State the statutory authority for the regulation. Include specific statutory citation.

Retirement Code Sections 5902(h) and 5953.

(12) Is the regulation mandated by any federal or state law or court order, or federal regulation? Are there any relevant state or federal court decisions? If yes, cite the specific law, case or regulation as well as, any deadlines for action.

See (11) above.

(13) State why the regulation is needed. Explain the compelling public interest that justifies the regulation. Describe who will benefit from the regulation. Quantify the benefits as completely as possible and approximate the number of people who will benefit.

The regulation is obsolete. Deletion of the regulation will alleviate any confusion and prevent possible disputes with regard to conflicting demands on members' retirement benefits. SERS' membership benefits in excess of 200,000 people.

Regulatory Analysis Form

(14) If scientific data, studies, references are used to justify this regulation, please submit material with the regulatory package. Please provide full citation and/or links to internet source.

Not applicable.

(15) Describe who and how many will be adversely affected by the regulation. How are they affected?

None.

(16) 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, their beneficiaries and survivors when there are conflicting demands on their retirement

Regulatory Analysis Form

benefits. SERS' membership benefits in excess of 200,000 people.

SECTION III: COST AND IMPACT ANALYSIS

(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. Explain how the dollar estimates were derived.

The regulation will save significant litigation costs and delays when there are conflicting demands upon retirement benefits. An actual dollar amount of the savings cannot be calculated.

(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. Explain how the dollar estimates were derived.

None.

Regulatory Analysis Form

(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. Explain how the dollar estimates were derived.

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

(20) In the table below, provide an estimate of the fiscal savings and costs 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:	\$ N/A	\$	\$	\$	\$	\$
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						

Regulatory Analysis Form

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

Program	FY -3	FY -2	FY -1	Current FY
N/A				

(21) Explain how the benefits of the regulation outweigh any cost and adverse effects.

No such information exists.

(22) Describe the communications with and input from the public and any advisory council/group in the development and drafting of the regulation. List the specific persons and/or groups who were involved.

None.

(23) Include a description of any alternative regulatory provisions which have been considered and rejected and a statement that the least burdensome acceptable alternative has been selected.

There are none.

Regulatory Analysis Form

(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 regulations.

Not applicable.

(25) How does this regulation compare with those of other states? How will this affect Pennsylvania's ability to compete with other states?

Not applicable.

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

No.

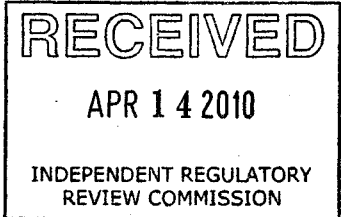
Regulatory Analysis Form

(27) Submit a statement of legal, accounting or consulting procedures and additional reporting, recordkeeping or other paperwork, including copies of forms or reports, which will be required for implementation of the regulation and an explanation of measures which have been taken to minimize these requirements.

No such procedures or paperwork are required.

(28) 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.

Not applicable.



FACE SHEET FOR FILING DOCUMENTS WITH THE LEGISLATIVE REFERENCE BUREAU

(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.

[Signature] (DEPUTY ATTORNEY GENERAL)

State Employees' Retirement System (AGENCY)

[Signature] Andrew C. Clark

DOCUMENT/FISCAL NOTE NO. 31-13

JUN 23 2009

DATE OF ADOPTION: March 12, 2008

MAY 21 2009

DATE OF APPROVAL

DATE OF APPROVAL

BY: [Signature] Leonard Knepp

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. 249, SECTION 249.53

This proposed deletion would remove obsolete State Employees' Credit Union payment language. No credit union currently meets the statutory requirements and it is unlikely that any new ones will. The language concerning payment priority in the event of member indebtedness to the Commonwealth is included in the proposed comprehensive regulation on priority of payments from member benefits-proposed 4 Pa.Code § 247.11.

**Notice of Proposed Rulemaking
State Employees' Retirement Board
State Employees' Retirement System
(4 Pa. Code Chapter 249)**

Preamble

The State Employees' Retirement Board ("Board") proposes to amend 4 Pa. Code, Chapter 249 by deleting Section 249.53 pertaining to the exemption from execution and assignment of rights when a member becomes indebted to the State Employees' Credit Union.

A. Effective Date

The proposed deletion 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 Brian E. McDonough, Deputy Chief 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 Sections 5902(h) and 5953 of the State Employees' Retirement Code ("Retirement Code"), 71 Pa.C.S. Sections 5101 *et seq.*

D. Background and Purpose

This proposed regulation deletion would remove State Employees' Credit Union payment language. The language is obsolete. No credit union currently meets the statutory requirements and it is unlikely that any new ones will. A corresponding statutory amendment is also being considered. The language concerning payment priority in the event of member indebtedness to the Commonwealth is included in the proposed comprehensive regulation on priority of payments from member benefits—proposed 4 Pa.Code § 247.11 .

E. Benefits, Costs and Compliance

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

Benefits

Deletion of the regulation will alleviate any confusion and prevent possible disputes with regard to conflicting demands on members' retirement benefits.

Costs

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

Compliance Costs

The proposed deletion 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 April 14, 2010 the Board submitted a copy of the proposed deletion 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 deletion, 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 deletion, 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 deletion 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 deletion by the Board.

H. Public Comments

Written Comments - Interested persons are invited to submit comments, suggestions, or objections regarding the proposed deletion 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 249

[§ 249.53. Exemption from execution; assignment of rights.

(a) *General.* In the event any member, entitled to a benefit, has been determined, at the time this benefit becomes payable, to be obligated to the Commonwealth for the repayment of money for any employment related reason, or to be obligated to the State Employees' Credit Union for the repayment of a loan not to exceed \$750 with interest, as provided in section 5953 of the code (relating to taxation, attachment and assignment of funds), the Board will cause to be paid from the member's account, upon his authorization, or upon certification of his agencies legal representative, the amount of indebtedness. The member, or his designated beneficiary, in the case of a deceased member, shall have the privilege of restoring the set off amount to his account within 30 days thereafter in a lump sum. Failing that, any benefit to which he would otherwise be entitled shall be withheld until an amount sufficient to satisfy the obligation has been accumulated, whereupon the annuity shall be payable to the member.

(b) *Debt priorities.* In the event a member is indebted, not only to the Commonwealth, but also the State Employees' Credit Union, under section 5953 of the code, payments to satisfy indebtedness to the Commonwealth shall be made in full before the Credit Union indebtedness is satisfied.

(c) *Effect of credit union payment.* In the event the Board is required to satisfy a credit union loan on behalf of an active member, as provided in section 5953(b)(2) of the code, the amount of the satisfaction will be automatically converted into an arrears liability of the member, which shall be restored in full by the defaulting member by lump sum or

payroll deductions over a period not exceeding 1 year with statutory interest charged during the repayment period.]



Commonwealth Of Pennsylvania
State Employees' Retirement System
30 North Third Street, Suite 150
Harrisburg, Pennsylvania 17101-1716
www.sers.state.pa.us
Executive Office
TELEPHONE: 717-787-9657
FAX: 717-783-7300



April 14, 2010

The Honorable Jim Ferlo
Minority Chairman of the Senate Finance Committee
535 Main Capitol Building
Harrisburg, PA 17120-3038

Re: Title 4 – Administration
Part X – State Employees' Retirement Board
4 Pa. Code - Chapter 249, Section 249.53
Deletion of Obsolete State Employees' Credit Union Payment Language
I.D. Number: 31-13

Dear Senator Ferlo:

Attached for review by your committee, pursuant to the Regulatory Review Act of June 30, 1989 (P.L. 73, No. 19) (71 P.S. sections 745.1-745.15) as amended, is a copy of the above-referenced final rulemaking and accompanying documents from the State Employees' Retirement Board.

The State Employees' Retirement System will provide your committee with any assistance you require to facilitate a thorough review of this regulation.

Respectfully submitted,

Leonard Knepp, *Secretary*
State Employees' Retirement Board

cc: Samuel Yun, Acting Chief Counsel
Glenda Davidson, Office of General Counsel
Nicholas J. Maiale, Chairman



Commonwealth Of Pennsylvania
State Employees' Retirement System
30 North Third Street, Suite 150
Harrisburg, Pennsylvania 17101-1716
www.sers.state.pa.us
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TELEPHONE: 717-787-9657
FAX: 717-783-7300



April 14, 2010

The Honorable Babette Josephs
Majority Chairwoman of the House State Government Committee
PA House of Representatives
300 Main Capitol Building
Harrisburg, PA 17120-2182

Re: Title 4 – Administration
Part X – State Employees' Retirement Board
4 Pa. Code - Chapter 249, Section 249.53
Deletion of Obsolete State Employees' Credit Union Payment Language
I.D. Number: 31-13

Dear Representative Josephs:

Attached for review by your committee, pursuant to the Regulatory Review Act of June 30, 1989 (P.L. 73, No. 19) (71 P.S. sections 745.1-745.15) as amended, is a copy of the above-referenced final rulemaking and accompanying documents from the State Employees' Retirement Board.

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Respectfully submitted,

Leonard Knepp, *Secretary*
State Employees' Retirement Board

cc: Samuel Yun, Acting Chief Counsel
Glenda Davidson, Office of General Counsel
Nicholas J. Maiale, Chairman



Commonwealth Of Pennsylvania
State Employees' Retirement System
30 North Third Street, Suite 150
Harrisburg, Pennsylvania 17101-1716
www.sers.state.pa.us
Executive Office
TELEPHONE: 717-787-9657
FAX: 717-783-7300



April 14, 2010

The Honorable Kerry A. Benninghoff
Minority Chair of the House State Government Committee
41B East Wing
Harrisburg, PA 17120-2171

Re: Title 4 – Administration
Part X – State Employees' Retirement Board
4 Pa. Code - Chapter 249, Section 249.53
Deletion of Obsolete State Employees' Credit Union Payment Language
I.D. Number: 31-13

Dear Representative Benninghoff:

Attached for review by your committee, pursuant to the Regulatory Review Act of June 30, 1989 (P.L. 73, No. 19) (71 P.S. sections 745.1-745.15) as amended, is a copy of the above-referenced final rulemaking and accompanying documents from the State Employees' Retirement Board.

The State Employees' Retirement System will provide your committee with any assistance you require to facilitate a thorough review of this regulation.

Respectfully submitted,

Leonard Knepp, Secretary
State Employees' Retirement Board

cc: Samuel Yun, Acting Chief Counsel
Glenda Davidson, Office of General Counsel
Nicholas J. Maiale, Chairman



Commonwealth Of Pennsylvania
State Employees' Retirement System
30 North Third Street, Suite 150
Harrisburg, Pennsylvania 17101-1716
www.sers.state.pa.us
Executive Office
TELEPHONE: 717-787-9657
FAX: 717-783-7300



April 14, 2010

The Honorable Patrick M. Browne
Majority Chair of the Senate Finance Committee
171 Capitol Building
Harrisburg, PA 17120-3016

Re: Title 4 – Administration
Part X – State Employees' Retirement Board
4 Pa. Code - Chapter 249, Section 249.53
Deletion of Obsolete State Employees' Credit Union Payment Language
I.D. Number: 31-13

Dear Senator Browne:

Attached for review by your committee, pursuant to the Regulatory Review Act of June 30, 1989 (P.L. 73, No. 19) (71 P.S. sections 745.1-745.15) as amended, is a copy of the above-referenced proposed rulemaking and accompanying material from the State Employees' Retirement Board.

The State Employees' Retirement System will provide your committee with any assistance you require to facilitate a thorough review of this regulation.

Respectfully submitted,

Leonard Knepp, *Secretary*
State Employees' Retirement Board

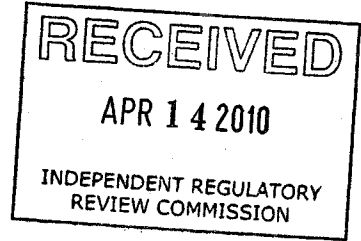
cc: Samuel Yun, Acting Chief Counsel
Glenda Davidson, Office of General Counsel
Nicholas J. Maiale, Chairman

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

I.D. NUMBER: 31-13
 SUBJECT: EXEMPTION FROM EXECUTION; ASSIGNMENT OF RIGHTS
 AGENCY: STATE EMPLOYEES' RETIREMENT SYSTEM

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
4/14/10	<i>Jimmy Noel</i>	House Minority Chair - Hon. Kerry Benninghoff HOUSE COMMITTEE ON STATE GOVERNMENT
4/14/10	<i>Babette Josephs</i>	MAJORITY CHAIRMAN <u>Babette Josephs</u>
	<i>Gianna Veno</i> 4/14/2010	Senate Minority Chair - Hon. Jim Ferlo SENATE COMMITTEE ON FINANCE
	<i>Lorrie Cooper</i> 4/14/10	MAJORITY CHAIRMAN <u>Patrick M. Browne</u>
	<i>K Cooper</i> 4/14/10	INDEPENDENT REGULATORY REVIEW COMMISSION
		ATTORNEY GENERAL (for Final Omitted only)
	<i>Mayra Garas</i> 4/14/10	LEGISLATIVE REFERENCE BUREAU (for Proposed only)