



Pennsylvania Municipal  
**League**

Pennsylvania Municipal League

President – Michael Lombardo, Mayor, City of Pittston



Pennsylvania State Association of Township Commissioners

President – Sam Juliano, Commissioner, North Versailles Township

To: Members of the Senate Law and Justice Committee  
From: Amy Sturges, Deputy Executive Director for Advocacy, PML and PSATC  
Re: Opposition to Senate Bill 464  
Date: April 25, 2023

---

On behalf of the Pennsylvania Municipal League and the Pennsylvania State Association of Township Commissioners, I write in opposition to Senate Bill 464 which is on the Committee schedule for today.

Senate Bill 464 would allow vested police officers to purchase pension credit for prior full or part-time work. The formula to determine how much an officer is required to pay for the purchase of prior service only covers half of the actual cost leaving the municipality to make up the difference.

The actuarial note on last session's bill (SB 669) estimates the average cost to the employer to be \$34,600 per officer purchasing credit. In other words, each time credit is purchased, the police pension plan in that municipality will become underfunded by \$34,600. Additionally, the actuarial note indicated officers would most likely use this provision to purchase time at the end of their career in order to accelerate reaching retirement eligibility. The closer the purchase is to the time of retirement, the less time there is for the municipality to prepare for this expense. Across all pension plans, it was estimated this buyback will create additional unfunded pension liability of \$40 million.

Clearly, Senate Bill 464 overlooks the pension funding concerns facing municipal pension plans. The bill assumes pension plans are able to absorb the costs of a service credit. The reality is that many plans are already under-funded and Senate Bill 464 only places a greater burden on municipalities and their taxpayers to meet their pension obligations.

We simply cannot support a new benefit created by state law that leaves municipal tax dollars to pay the bill.

We request a "no" vote when the bill is brought up in Committee.

Thank you for your consideration.