To: Members of the Pennsylvania Senate
From: Amy Sturges, Director of Governmental Affairs, PML and PSATC
Re: Senator Blake’s Co-sponsorship Memo 1208 - Municipal Pension Reform
Date: October 29, 2019

On behalf of the members of the PA Municipal League and the PA State Association of Township Commissioners, I am writing to request your consideration in signing-on as a co-sponsor of Senator Blake’s municipal pension reform proposal. This proposal is based on recommendations made by Auditor General DePasquale in his 2015 Municipal Pension Task Force Report to Governor Wolf.

Please note: This proposal does not change the type of pension or pension benefits currently provided to municipal employees.

For new hires provisions include: capping overtime at 10% of salary; basing final average salary on last 60 months of service; and increasing retirement age to 55 years and 25 years of service for uniformed employees.

Other provisions include – reducing the assumed rate of return on pension investments over 10 years to a more realistic and attainable rate; requiring the use of GASB accounting standards; prohibiting the use of pension state aid for plan administration; requiring public disclosure of pension costs; prohibiting Deferred Retirement Option Plans (DROPs); and prohibiting plan changes that would result in plan funding dipping below 80%.

We support this legislation with the goal to make future pension costs more affordable and sustainable for our members and ultimately, taxpayers. This proposal continues that effort with the adoption of the Auditor General’s recommendations which are “good government” steps to keep costs and unfunded liabilities from getting worse.

Again, we ask that you consider co-sponsorship. I am available to discuss this request further at your convenience at asturges@pml.org.

Thank you.