



Senate Finance Committee

Senator John H. Eichelberger, Jr.
Chairman



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ANALYSIS

BILL NUMBER: Senate Bill 401, P.N. 315

SPONSOR: White

SYNOPSIS:

Senate Bill 401 would create the State Legislators' Defined Contribution Program.

SUMMARY/ANALYSIS:

All new members elected, or current members reelected, to serve a term starting December 1, 2016, shall have the option to participate in the defined contribution plan established by Senate Bill 401, but shall no longer be a participant in SERS.

The benefits to be provided to legislators shall be administered by the SERS board, and shall be provided through participant-directed investments, in accordance with IRC §401(a).

The employer contribution shall match the contribution made by the participant dollar for dollar, but shall not exceed 4% of the participant's pensionable earnings.

All assets and income withheld by the employer shall be held in trust in a special fund created within the Treasury Department of which the State Treasurer shall be custodian. Any interest earned on the funds pending investment shall be allocated to the Commonwealth and credited to the accounts of participants who are then participating in the program.

The board shall not be responsible for any investment loss incurred in the program or for failure of any investment to earn any specific or expected return or to earn as much as any other investment opportunity, whether or not such other investment opportunity was offered to participants in the program.

EFFECTIVE DATE:

The Act would take effect in 60 days.

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