

5936--A

2013-2014 Regular Sessions

I N S E N A T E

September 18, 2013

Introduced by Sens. MAZIARZ, LIBOUS, SEWARD -- read twice and ordered printed, and when printed to be committed to the Committee on Rules -- recommitted to the Committee on Civil Service and Pensions in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the retirement and social security law, in relation to participation by public or quasi-public organizations in the retirement system

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Subdivision a of section 31 of the retirement and social
2 security law, as amended by chapter 379 of the laws of 1989, is amended
3 to read as follows:
4 a. Any public or quasi-public organization created wholly or partly or
5 deriving its powers by the legislature of the state and which organiza-
6 tion employs persons engaged in service to the public or any state agen-
7 cy as defined in section fifty-three-a of the state finance law, or the
8 New York state association of town superintendents of highways, inc. or
9 any school board association, by resolution legally adopted by its
10 governing body and approved by the comptroller, may elect to have its
11 officers and employees become eligible to participate in the retirement
12 system. Acceptance of the officers and employees of such an employer
13 for membership in the retirement system shall be optional with the comp-
14 troller. If he shall approve their participation, such organization,
15 except as specifically provided in this article to the contrary, shall
16 thereafter be treated as a participating employer. Any election made
17 pursuant to this subdivision by a school board association shall be
18 applicable to current employees of such association. NOTWITHSTANDING
19 THE FOREGOING PROVISIONS, ANY OFFICER OR EMPLOYEE OF THE NEW YORK STATE
20 ASSOCIATION OF TOWN SUPERINTENDENTS OF HIGHWAYS, INC., THE NEW YORK
21 STATE SCHOOL BOARDS ASSOCIATION, THE NEW YORK STATE ASSOCIATION OF COUN-

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets [] is old law to be omitted.

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1 TIES, THE ASSOCIATION OF TOWNS OF THE STATE OF NEW YORK, THE NEW YORK
2 CONFERENCE OF MAYORS AND OTHER MUNICIPAL OFFICIALS, OR ANY SCHOOL BOARD
3 ASSOCIATION, FIRST EMPLOYED ON OR AFTER THE EFFECTIVE DATE OF THE CHAP-
4 TER OF THE LAWS OF TWO THOUSAND FOURTEEN WHICH AMENDED THIS SUBDIVISION,
5 SHALL NOT BE ELIGIBLE TO PARTICIPATE AND/OR RECEIVE SERVICE CREDIT IN
6 THE RETIREMENT SYSTEM BASED ON SUCH EMPLOYMENT.

7 S 2. Section 609 of the retirement and social security law is amended
8 by adding a new subdivision i to read as follows:

9 I. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION OR ANY OTHER
10 LAW, RULE OR REGULATION, AN OFFICER OR EMPLOYEE OF THE NEW YORK STATE
11 ASSOCIATION OF TOWN SUPERINTENDENTS OF HIGHWAYS, INC., THE NEW YORK
12 STATE SCHOOL BOARDS ASSOCIATION, THE NEW YORK STATE ASSOCIATION OF COUN-
13 TIES, THE ASSOCIATION OF TOWNS OF THE STATE OF NEW YORK, THE NEW YORK
14 CONFERENCE OF MAYORS AND OTHER MUNICIPAL OFFICIALS, OR ANY SCHOOL BOARD
15 ASSOCIATION, SHALL NOT RECEIVE SERVICE CREDIT FOR EMPLOYMENT WITH SUCH
16 ORGANIZATION ON OR AFTER THE EFFECTIVE DATE OF THIS SUBDIVISION.

17 S 3. Severability clause. If any clause, sentence, paragraph, subdivi-
18 sion, section or part of this act shall be adjudged by any court of
19 competent jurisdiction to be invalid, such judgment shall not affect,
20 impair, or invalidate the remainder thereof, but shall be confined in
21 its operation to the clause, sentence, paragraph, subdivision, section
22 or part thereof directly involved in the controversy in which such judg-
23 ment shall have been rendered. It is hereby declared to be the intent of
24 the legislature that this act would have been enacted even if such
25 invalid provisions had not been included herein.

26 S 4. This act shall take effect immediately.

FISCAL NOTE.--This bill would require that persons first employed by
the following associations on or after the effective date will not be
eligible for membership in the New York State and Local Employees'
Retirement System:

The New York state association of town superintendents of highways,
inc,

The New York state school board association,

The New York state association of counties,

The association of towns of the state of New York,

The New York conference of mayors and other municipal officials, and

Any school board association.

This legislation also would freeze the benefit accruals of employees
of one of the boards or associations who are members of the NYS&LERS as
of the effective date. If this bill is enacted, it is likely to face a
constitutional challenge based upon the guarantee that a member's bene-
fits may not be diminished.

If this bill is enacted, there will be no cost to the retirement
system.

Summary of relevant resources:

The membership data used in measuring the impact of the proposed
change was the same as that used in the March 31, 2013 actuarial valu-
ation. Distributions and other statistics can be found in the 2013
Report of the Actuary and the 2013 Comprehensive Annual Financial Report
when released in the fall of 2013.

The actuarial assumptions and methods used are described in the 2010,
2011, 2012 and 2013 Annual Report to the Comptroller on Actuarial
Assumptions, and the Codes Rules and Regulations of the State of New
York: Audit and Control.

The Market Assets and GASB Disclosures are found in the March 31, 2013 New York State and Local Retirement System Financial Statements and Supplementary Information.

I am a member of the American Academy of Actuaries and meet the Qualification Standards to render the statement of actuarial opinion contained herein.

This estimate, dated September 13, 2013, and intended for use only during the 2014 Legislative Session, is Fiscal Note No. 2014-10, prepared by the Actuary for the New York State and Local Employees' Retirement System.