

STATE OF NEW YORK

6027

2017-2018 Regular Sessions

IN ASSEMBLY

February 21, 2017

Introduced by M. of A. RYAN -- read once and referred to the Committee on Governmental Employees

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-
22 ties, the association of towns of the state of New York, the New York
23 conference of mayors and other municipal officials, or any school board
24 association, first employed on or after the effective date of the chap-

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

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1 ter of the laws of two thousand seventeen which amended this subdivi-
2 sion, shall not be eligible to participate and/or receive service credit
3 in the retirement system based on such employment.

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

6 i. Notwithstanding any other provision of this section or any other
7 law, rule or regulation, an officer or employee of the New York state
8 association of town superintendents of highways, inc., the New York
9 state school boards association, the New York state association of coun-
10 ties, the association of towns of the state of New York, the New York
11 conference of mayors and other municipal officials, or any school board
12 association, shall not receive service credit for employment with such
13 organization on or after the effective date of this subdivision.

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

23 § 4. This act shall take effect immediately.

FISCAL NOTE.--Pursuant to Legislative Law, Section 50:

This bill would deny eligibility for membership in the New York State and Local Employees' Retirement System (ERS) to persons first employed by the following associations on or after the bill's effective date:

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.

Further, this legislation would disallow future service credit accruals for employment rendered on and after the effective date by those who currently are ERS members employed by such associations. If this becomes law, this bill is likely to face a constitutional challenge based upon the guarantee that a member's benefits 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, 2016 actuarial valuation. Distributions and other statistics can be found in the 2016 Report of the Actuary and the 2016 Comprehensive Annual Financial Report.

The actuarial assumptions and methods used are described in the 2015 and 2016 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, 2016 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 actuarial opinion contained herein.

The estimate, dated February 16, 2017, and intended for use only during the 2017 Legislative Session, is Fiscal Note No. 2017-66, prepared by the Actuary for the New York State and Local Retirement System.