

STATE OF NEW YORK

7548

2017-2018 Regular Sessions

IN ASSEMBLY

May 2, 2017

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

AN ACT to amend the administrative code of the city of New York, in relation to membership in the New York city teachers' retirement system

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Paragraph (a) of subdivision 7 of section 13-501 of the
2 administrative code of the city of New York, as amended by chapter 650
3 of the laws of 1990, is amended to read as follows:

4 (a) "Teacher" shall mean the superintendent of schools, the associate
5 superintendents, the assistant superintendents, the director and the
6 assistant director of the divisions of reference and research, the
7 director and the assistant directors of the bureau of compulsory educa-
8 tion, school census and child welfare, attendance teachers and specially
9 certificated attendance officers who are first employed by the New York
10 city board of education on or after September first, nineteen hundred
11 sixty-eight, attendance teachers and specially certificated attendance
12 officers who were members of the New York city board of education
13 retirement system and who, on or before December thirty-first, nineteen
14 hundred sixty-nine, gave notice to said board of education retirement
15 system of their intention to transfer to the New York city teachers'
16 retirement system, the director of attendance, assistant director of
17 attendance, chief attendance officer, division supervising attendance
18 officers and district supervising attendance officers of the bureau of
19 compulsory education, school census and child welfare, supervisors of
20 school social workers who are first employed by the New York city board
21 of education on or after September first, nineteen hundred sixty-nine or
22 who were members of the New York city board of education retirement
23 system and who on or before December thirty-first, nineteen hundred
24 seventy, gave notice to the said board of education retirement system of

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

LBD06019-02-7

1 their intention to transfer to the New York city teachers' retirement
2 system, the members of the board of examiners, the directors and the
3 assistant directors of special branches, the supervisor and assistant
4 supervisors of lectures, all principals, vice-principals, assistants-to-
5 principals, heads of departments, and all regular and special teachers
6 of the public day schools of the city, and all employees of the board of
7 education appointed to regular positions in the service of the public
8 schools at annual salaries and whose appointments were made or shall be
9 made from eligible lists prepared as the result of examinations held by
10 the board of examiners or from hiring lists established by the chancel-
11 lor of the board of education, as the case may be, and all employees
12 employed by the board of education in the titles of teacher aide, educa-
13 tional assistant, educational associate, auxiliary trainer, bilingual
14 professional assistant, family worker, family assistant, family associ-
15 ate[,] or parent program assistant[, ~~who file an application for member-~~
16 ~~ship in the retirement association on a form supplied by the retirement~~
17 ~~board~~].

18 § 2. This act shall take effect immediately.

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

PROVISIONS OF PROPOSED LEGISLATION: This proposed legislation would amend paragraph (a) of subdivision 7 of Section 13-501 of the Administrative Code of the City of New York to eliminate the requirement that certain titles file an application to become members of the New York City Teachers' Retirement System (TRS).

Under current law, individuals in the title of teacher aide, educational assistant, educational associate, auxiliary trainer, bilingual professional assistant, family worker, family assistant, and family associate (collectively, paraprofessionals) have the option of joining TRS by filing an application for membership.

The proposed legislation would make TRS membership for paraprofessionals mandatory.

The effective date of the proposed legislation would be the date of enactment.

FINANCIAL IMPACT - ADDITIONAL ANNUAL EMPLOYER CONTRIBUTIONS: If enacted into law, the ultimate employer cost for this proposed legislation would be based on the number, ages, years of service and salary of those paraprofessionals that would otherwise not have elected to become members of TRS.

In order to estimate this group, we were provided with census data of approximately 5,200 paraprofessionals who are not currently members of TRS. Based on this data and the population of paraprofessionals who have already joined TRS, we have estimated that approximately 2,700 paraprofessionals, who would have not otherwise joined TRS, would be mandated into TRS membership if this proposed legislation is enacted. The remaining 2,500 paraprofessionals were assumed to have become members of TRS at some point in their career even absent the proposed legislation.

Based on these assumptions and other actuarial assumptions and methods in effect for the June 30, 2016 (Lag) actuarial valuation used to determine the Preliminary Fiscal Year 2018 employer contributions for TRS, we have estimated the annual cost of this legislation to be \$8.0 million for the 2,700 paraprofessionals. However, the total increase in employer contributions for Fiscal Year 2017 would be approximately \$14.7 million for the entire group of approximately 5,200 paraprofessionals who would be mandated into the plan if the proposed legislation is enacted. This amount includes the estimated cost of approximately \$6.7 million for the 2,500 paraprofessionals whose membership is being accelerated into TRS.

These employer contribution amounts are representative of the annual employer contribution amounts for each future year if paraprofessional member participation numbers do not significantly change.

If enacted on or before June 30, 2017, these additional paraprofessionals would likely be included in the census data as of June 30, 2017 and if so the increase in employer contributions to TRS would first be reflected in Fiscal Year 2019.

OTHER COSTS: Not measured in this Fiscal Note are the following potential costs:

- * The additional administrative costs to TRS to implement the proposed legislation.

- * The impact of this proposed legislation on Other Postemployment Benefit (OPEB) costs.

STATEMENT OF ACTUARIAL OPINION: I, Sherry S. Chan, am the Chief Actuary for, and independent of, the New York City Pension Funds and Retirement Systems. I am a Fellow of the Society of Actuaries, a Fellow of the Conference of Consulting Actuaries and a Member of the American Academy of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

FISCAL NOTE IDENTIFICATION: This Fiscal Note 2017-06 dated April 7, 2017, was prepared by the Chief Actuary for the New York City Teachers' Retirement System. This estimate is intended for use only during the 2017 Legislative Session.