STATE OF NEW YORK

8959

IN SENATE

May 2, 2022

Introduced by Sen. SAVINO -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions

AN ACT to amend the retirement and social security law, in relation to transfer of retirement membership for certain employees of SUNY within the professional, scientific and technical bargaining unit

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

Section 1. The retirement and social security law is amended by adding a new section 618 to read as follows:

§ 618. Transfer of membership into New York state and local employees' retirement system. a. Definitions. Whenever used in this section:

1. The term "eligible employee" shall mean a person who as of the effective date of this section is an employee of the state university of New York in a position within the professional, scientific and technical bargaining unit and who is, as of said effective date, a member of the optional retirement program and who is a registered nurse who first became an employee of the state university of New York at Stony Brook Hospital on a date between January first, nineteen hundred ninety-six and December thirty-first, nineteen hundred ninety-nine and who is still employed by the state university of New York as of the date said employee files an application pursuant to subdivision b of this section;

2. The term "optional retirement program" shall mean the optional retirement program established pursuant to article eight-B of the education law.

b. Notwithstanding any other provision of law, an eligible employee shall be allowed to become a member of the New York state and local employees' retirement system by filing an application with said retirement system no later than December thirty-first, two thousand twenty-three.

c. An eligible employee who files an application to become a member of the New York state and local employees' retirement system shall be deemed to be a member of that retirement system with a date of membership as of the date said eligible employee was first employed by the state university of New York. The eligible employee's membership in the

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

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optional retirement program shall terminate as of the date said application is filed.

d. An eligible employee who becomes a member of the New York state and local employees' retirement system pursuant to subdivision b of this section may elect to purchase credit for previous service for any period during which said employee was a member of the optional retirement program by filing an application with the New York state and local employees' retirement system no later than December thirty-first, two thousand twenty-three and by paying to said retirement system an amount as determined by the comptroller equal to the full cost of such previous service credit purchased which shall include an amount equivalent to the additional costs to the employer of providing retirement service credit to such employee while such employee was a member of the optional retirement program as determined by the actuary for the retirement system. Said payment may be made by a transfer of funds from the employee's optional retirement program account to the New York state and local employees' retirement system. Said payment may also be made in one payment by the employee or by payroll deduction over a period not to exceed five years.

§ 2. Notwithstanding any other provision of law to the contrary, none of the provisions of this act shall be subject to section 25 of the retirement and social security law.

§ 3. This act shall take effect immediately.

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

This bill would allow any employee of the State University of New York (SUNY) who is a registered nurse in a position within the Professional, Scientific and Technical bargaining unit, who first became employed with SUNY at Stony Brook Hospital between January 1, 1996 and December 31, 1999, and who enrolled in the Optional Retirement Program (ORP), to terminate their membership in the ORP and to be deemed to be a member of the New York State and Local Employees' Retirement System (NYSLERS) with a date of membership as of the date of first employment by SUNY. Affected members will be required to pay the entire past service cost as determined by the Comptroller in order to receive retirement service credit for any period of service rendered while a member of the ORP.

If this bill is enacted during the 2022 legislative session, the number of employees who may be affected cannot be readily determined. For every employee who does so elect, there will be an annual cost to the State of New York of approximately 13.0% of salary beginning with the fiscal year ending March 31, 2023.

In addition to the annual cost discussed above, for every member who elects this benefit, there will be a past service cost that will depend on the age, service and salary of the member. Members will be able to pay this cost using any of three methods, including a transfer of funds from their ORP balance, a one-time payment, or by payroll deduction over a period not to exceed five (5) years.

Summary of relevant resources:

Membership data as of March 31, 2021 was used in measuring the impact of the proposed change, the same data used in the April 1, 2021 actuarial valuation. Distributions and other statistics can be found in the 2021 Report of the Actuary and the 2021 Comprehensive Annual Financial Report.

The actuarial assumptions and methods used are described in the 2020 and 2021 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, 2021 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.

This fiscal note does not constitute a legal opinion on the viability of the proposed change nor is it intended to serve as a substitute for the professional judgment of an attorney.

This estimate, dated January 4, 2022, and intended for use only during the 2022 Legislative Session, is Fiscal Note No. 2022-43, prepared by the Actuary for the New York State and Local Retirement System.