

STATE OF NEW YORK

11522

IN ASSEMBLY

May 28, 2026

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Solages) --
read once and referred to the Committee on Local Governments

AN ACT to amend the general municipal law, in relation to other post-employment benefits reserve funds for counties, cities, villages, towns and school districts

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

1 Section 1. The general municipal law is amended by adding a new
2 section 6-w to read as follows:

3 § 6-w. Other post-employment benefits reserve funds for counties,
4 cities, villages, towns and school districts. 1. As used in this
5 section:

6 a. The term "governing board", insofar as it is used in reference to a
7 village, shall mean the board of trustees thereof; insofar as it is used
8 in reference to a town, shall mean the town board thereof; insofar as it
9 is used in reference to a county, shall mean the legislative body there-
10 of; insofar as it is used in reference to a city, shall mean the "local
11 legislative body" thereof, as that term is defined in subdivision seven
12 of section two of the municipal home rule law, as amended from time to
13 time; insofar as it is used in reference to a school district, shall
14 mean the board of education or board of trustees thereof.

15 b. The term "other post-employment benefits reserve funds" or "OPEB"
16 shall mean benefits, other than pension benefits, that a county, city,
17 village, town, or school district is obligated or has committed to
18 provide to eligible retired employees and their dependents, including
19 but not limited to:

20 (i) health insurance, including medical, prescription drug, dental,
21 vision, and hearing benefits;

22 (ii) life insurance provided separately from a pension plan;

23 (iii) disability benefits provided separately from a pension plan;

24 (iv) long-term care benefits; and

25 (v) any other post-employment benefit, other than a pension benefit,
26 that the governmental unit has a legal, contractual, or established
27 commitment to provide.

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

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1 c. The term "actuarial valuation" shall mean the determination, by a
2 qualified actuary, of the present value of all projected benefits to be
3 provided through a governmental unit's OPEB plan, net of any plan
4 assets, performed in accordance with generally accepted actuarial stand-
5 ards.

6 d. The term "qualified actuary" shall mean a member in good standing
7 of the American Academy of Actuaries or an individual who has demon-
8 strated competence in the area of public employee benefits through rele-
9 vant experience and professional credentials.

10 e. The term "chief fiscal officer" shall mean the officer charged with
11 the custody or control of moneys of the county, city, village, town, or
12 school district.

13 2. The governing board of any county, city, village, town, or school
14 district may establish one or more OPEB reserve funds for the financing
15 of all or part of the cost of providing other post-employment benefits
16 to eligible retired employees and their dependents.

17 3. There may be paid into any such fund:

18 a. such an amount as may be provided therefor by budgetary appropri-
19 ation or raised by tax therefor;

20 b. such revenues as are not required by law to be paid into any other
21 fund or account;

22 c. gifts, grants, donations, or other contributions designated for the
23 purpose of providing for OPEB obligations; and

24 d. amounts received by the governmental unit as a sponsor of a quali-
25 fied retiree prescription drug plan pursuant to 42 U.S.C. section
26 1395w-132, or any successor provision, if authorized by vote of the
27 governing board.

28 4. The moneys in each such fund shall be deposited and secured in the
29 manner provided by section ten of this article. The governing board, or
30 the chief fiscal officer of such governmental unit if the governing
31 board shall delegate the duty to such officer, may invest the moneys in
32 each such fund in the manner provided in section eleven of this article.
33 Any interest earned or capital gains realized on the moneys so deposited
34 or invested shall accrue to and become part of each such fund. The sepa-
35 rate identity of each such fund shall be maintained, whether its assets
36 consist of cash or investments or both.

37 5. An expenditure shall be made from an OPEB reserve fund only by
38 authorization of the governing board and only for the following
39 purposes:

40 a. payment of, or reimbursement for, other post-employment benefits to
41 or on behalf of eligible retired employees and their dependents, in
42 accordance with the terms of the governmental unit's OPEB plan or appli-
43 cable collective bargaining agreement; and/or

44 b. payment of the reasonable and necessary costs of administering the
45 fund, including but not limited to actuarial services, including neces-
46 sary actuarial valuations, auditing, investment management, and legal
47 counsel.

48 6. a. Within two years of the establishment of an OPEB reserve fund,
49 and at least biennially thereafter, the governmental unit shall obtain
50 an actuarial valuation of its OPEB liabilities from a qualified actuary.

51 b. A copy of each actuarial valuation shall be filed with the govern-
52 ing board and shall be made available for public inspection.

53 c. The governing board shall review the actuarial valuation and shall
54 consider adjustments to its contribution levels as may be appropriate in
55 light of the valuation.

1 7. a. The chief fiscal officer shall keep a separate account for each
2 fund established. Such account shall show:

3 (i) the date and amount of each sum paid into the fund;
4 (ii) the interest earned by such fund;
5 (iii) the capital gains or losses resulting from the sale of invest-
6 ments of the fund;

7 (iv) the interest or capital gains which have accrued to the fund;
8 (v) the amount, date, and purpose of each withdrawal from the fund;

9 and

10 (vi) the assets of the fund, indicating the cash balance therein and a
11 schedule of the amounts invested in federal or state obligations.

12 b. The chief fiscal officer, at the termination of each fiscal year,
13 shall render a detailed report of the operation and condition of each of
14 such funds to the governing board.

15 8. a. The members of the governing board shall be guilty of a misde-
16 meanor if they:

17 (i) authorize a withdrawal from an OPEB reserve fund for any purpose
18 other than those set forth in subdivision five of this section, except
19 as provided in subdivisions six and seven of this section; or

20 (ii) expend any money withdrawn from the fund for a purpose other than
21 that for which it was authorized to be withdrawn.

22 b. The provisions of this paragraph shall be considered to be in addi-
23 tion to any other penalties provided by law.

24 9. This section shall not be construed to:

25 a. create, expand, or modify any substantive right of any employee,
26 retiree, or dependent to receive other post-employment benefits;

27 b. impair the obligation of any existing contract or collective
28 bargaining agreement;

29 c. limit the authority of a governmental unit to modify, reduce, or
30 eliminate OPEB benefits to the extent otherwise permitted by law; or

31 d. establish the fund as a trust for purposes of the Governmental
32 Accounting Standards Board Statements No. 74 and 75, or any successor
33 statements, unless the governing board separately elects to establish
34 such a fund as an irrevocable trust meeting the criteria set forth ther-
35 ein.

36 § 2. This act shall take effect immediately and shall apply to all
37 other post-employment benefits reserve funds established on or after
38 such effective date.