S T A T E O F N E W Y O R K

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I N A S S E M B L Y

June 8, 2010

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Abbate) -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the retirement and social security law, in relation to re-employment of retired persons by the board of higher education of the city of New York

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

Section 1. Subparagraph 3 of paragraph (a) of subdivision 2 of section 211 of the retirement and social security law, as amended by chapter 753 of the laws of 1976, is amended to read as follows:

(3) the municipal civil service commission of the city of New York if such person is to be employed in a position in the service of the city of New York or in the classified service in the board of education [or board of higher education] of such city; or

S 2. Subparagraph 5 of paragraph (a) of subdivision 2 of section 211 of the retirement and social security law, as amended by chapter 753 of the laws of 1976, is amended to read as follows:

(5) the board of higher education of the city of New York if such person is to be employed in the CLASSIFIED OR unclassified service under the board of higher education of the city of New York; or

S 3. This act shall take effect immediately.

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

PROVISIONS OF PROPOSED LEGISLATION: With respect to the New York city Retirement System ("NYCRS"), this proposed legislation would amend Retirement and Social Security Law ("RSSL") Section 211 to revise the approval procedure for certain retirees reemployed pursuant to such Section.

The Effective Date of the proposed legislation would be the date of enactment.

IMPACT ON RETIREE REEMPLOYMENT PROCEDURES: Retired members of the NYCRS are permitted to return to employment in the service of New York State ("NYS") or any of its political divisions. In particular, for certain New York City ("NYC") employment positions designated as:

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

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A. Classified positions (i.e., non-pedagogical staff) for the Board of Education of NYC (now the NYC Department of Education ("NYC DOE")), or for the Board of Higher Education of NYC (now the City University of New York ("CUNY")),

B. Unclassified positions (i.e., pedagogical staff) for the Board of Education of NYC and Board of Higher Education of NYC, and

C. Other NYC employment for positions at other than the Board of Education of NYC or Board of Higher Education of NYC.

Note: The remainder of this Fiscal Note will generally utilize the historical terminology that most closely follows the statutory language.

For those retired employees who wish to elect to be rehired in such public service under the provisions of RSSL Section 211, one of the following entities needs to approve such rehire:

* For all classified Board of Education of NYC positions, all classified Board of Higher Education of NYC positions, and, as noted in C above, other NYC employment, the Municipal Civil Service Commission of NYC (now the NYC Department of Citywide Administrative Services ("DCAS")).

* For all unclassified NYC positions in the Board of Education of NYC, the Chancellor of the City School district of NYC.

* For all unclassified NYC positions in the Board of Higher Education of NYC, the Board of Higher Education of NYC.

Under the proposed legislation, the authority of the Municipal Civil Service Commission of NYC with respect to the approval of classified positions with the Board of Higher Education of NYC would be transferred to the Board of Higher Education of NYC.

The proposed legislation, if enacted, does not alter the responsibilities of the prospective employer with regard to the retired members. However, the prospective employer would need to be aware that the classified positions with the Board of Higher Education of NYC would require the approval of the Board of Higher Education of NYC.

FINANCIAL IMPACT - ADMINISTRATIVE EXPENSES: Currently, the approvals for the rehiring of NYCRS members for classified service in the Board of Higher Education are made by DCAS. Any expenses which arise in connection with this processing are currently funded by an allocation from the NYC budget.

If the proposed legislation were enacted, such approvals required for Board of Higher Education of NYC classified service would be transferred to the Board of Higher Education of NYC.

The Actuary does not anticipate that enactment of the proposed legislation would change the number of retirees who become reemployed in such public service at CUNY.

However, the allocations from the NYC budget for DCAS expenses could be reduced and the allocations from the Board of Higher Education of NYC budget could be increased.

Given the limited number of retirees potentially impacted, the Actuary anticipates that the workload and financial impacts on DCAS and the Board of Higher Education of NYC workloads would be marginal.

FINANCIAL IMPACT - EMPLOYER CONTRIBUTIONS: With respect to the NYCRS, the enactment of this proposed legislation would be expected to result in only minimal, if any, changes in employer contributions to the New York City Teachers' Retirement System ("NYCTRS") or the New York City Board of Education Retirement System ("BERS").

Such changes in administrative expenses of TRS and BERS would occur only if these organizations were to need to expend funds to revise

existing procedures to handle the change in approving entity for rehired retirees.

STATEMENT OF ACTUARIAL OPINION: I, Robert C. North, Jr., am the Chief Actuary for the New York City Retirement Systems. I am a Fellow of the Society of 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 estimate is intended for use only during the 2010 Legislative Session. It is Fiscal Note 2010-15, dated June 2, 2010, prepared by the Chief Actuary for the New York City Retirement Systems.