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

8002

2009-2010 Regular Sessions

I N A S S E M B L Y

May 1, 2009

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

AN ACT to authorize Walter M. Callahan, a retiree receiving benefits from the New York state and local employees' retirement system, to retroactively terminate his retirement and transfer his membership in such retirement to the New York state teachers' retirement system

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

Section 1. Notwithstanding any provision of law to the contrary, Walter M. Callahan, a retired member of the New York state and local employees' retirement system who has been receiving enhanced retirement benefits pursuant to the retirement incentive enacted pursuant to chapter 86 of the laws of 2000 since his retirement on November 4, 2000, who on August 30, 2006 was appointed as a business administrator employed by a school district, and who upon assuming such business administrator position became a member of the New York state teachers' retirement system, shall be entitled to elect to be deemed retroactively to have transferred his membership in the New York state and local employees' retirement system to the New York state teachers' retirement system pursuant to section 43 of the retirement and social security law as of November 3, 2000, provided that upon retirement from the New York state teachers' retirement system, his retirement allowance shall be (a) recalculated taking into account the forfeiture of his enhanced retirement benefits by reason of his return to public service pursuant to section 11 of chapter 41 of the laws of 1997, and (b) reduced by the actuarial equivalent of the retirement benefits received by Walter M. Callahan prior to his election pursuant to this section; and further, provided, that Walter M. Callahan shall not be required to make any employee contribution to the New York state teachers' retirement system and upon retirement from the New York state teachers' retirement system, his retirement allowance shall be increased by the actuarial equivalent of the employee contributions he has made to the New York state teachers' retirement system between August 30, 2006 and his election pursuant to this section. In order to effect such retroactive transfer pursuant

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

LBD05197-02-9

to this section, Walter M. Callahan shall provide, on or before December 31, 2009, notice to the comptroller and the governing body of the New York state teachers' retirement system of his election to transfer his membership in the New York state and local employees' retirement system pursuant to this section.

S 2. Upon the election by Walter M. Callahan to take advantage of the provisions of this act, the New York state and local employees' retirement system shall transfer the amount of his pension reserve to the New York state teachers' retirement system.

S 3. All costs incurred in implementing the provisions of this act, unless otherwise stated, shall be borne by the New York state teachers' retirement system.

S 4. This act shall take effect immediately.

FISCAL NOTE.--This legislation will allow Walter M. Callahan, a retiree from the New York State and Local Employees' Retirement System, to retroactively transfer his membership to the New York State Teachers' Retirement System.

Insofar as this bill will affect the New York State and Local Employees' Retirement System, if it is enacted, Mr. Callahan will retroactively transfer to the New York State Teachers' Retirement System and there will be a transfer of reserves from the New York State and Local Employees' Retirement System to the New York State Teachers' Retirement System which will equal our liability due to Mr. Callahans' current pension. Therefore, this legislation will generate no cost to the New York State and Local Employees' Retirement System. This legislation, however, may generate a cost to the New York State Teachers' Retirement System.

This estimate, dated January 27, 2009 and intended for use only during the 2009 Legislative Session, is Fiscal Note No. 2009-117, prepared by the Actuary for the New York State and Local Employees' Retirement System.

FISCAL NOTE.--This bill would allow Walter M. Callahan, a retired member of the New York State and Local Employees' Retirement System (NYSLERS) and currently an active member of the New York State Teachers' Retirement System (NYSTRS), to retroactively transfer his membership from NYSLERS to NYSTRS pursuant to Section 43 of the Retirement and Social Security Law. Upon his retirement from NYSTRS, his retirement allowance shall be recalculated taking into account the forfeiture of his enhanced retirement benefits by reason of his return to public service pursuant to Section 11 of Chapter 41 of the Laws of 1997. Additionally, his retirement benefit shall be reduced by the actuarial equivalent of the retirement benefits received from NYSLERS from November 4, 2000 through September 30, 2006. Mr. Callahan shall not be required to make any further employee contributions to NYSTRS, and upon retirement his benefit shall be increased by the actuarial equivalent of employee contributions made to NYSTRS after August 30, 2006. Mr. Callahan must file a written request with the head of the New York State Teachers' Retirement System on or before December 31, 2009.

The cost of this benefit is equal to the net increase in the present value of liabilities, which is estimated to be $360,000. This cost will be partially offset by the pension reserve transferred from the New York State and Local Employees' Retirement System in accordance with this bill.

The source of this estimate is Fiscal Note 2009-39 dated April 10, 2009 prepared by the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2009 Legislative Session.