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

8353

2011-2012 Regular Sessions

I N A S S E M B L Y

June 14, 2011

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

AN ACT to amend the retirement and social security law and the general municipal law, in relation to authorizing the adoption of a bond resolution in connection with payments to a retirement system

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

Section 1. Paragraph 1 of subdivision d of section 19-a of the retirement and social security law, as added by section 1 of part TT of chapter 57 of the laws of 2010, is amended and a new paragraph 4 is added to read as follows:

(1) For any given fiscal year for which an employer's average actuarial contribution rate exceeds the system graded contribution rate, the employer shall pay to the retirement system an amount equal to the employer's annual bill for such year or, in lieu of paying the entire annual bill, the employer may pay an amount equal to the employer's annual bill less all or a portion of the employer's amount eligible for amortization for the fiscal year. If in accordance with this paragraph the employer's payment to the retirement system is less than the entire amount of the employer's annual bill, then the difference between the employer's annual bill, and the amount actually paid by the employer to the retirement system exclusive of any amount from the employer contribution reserve fund applied to reduce the employer's payment, shall be the amount amortized for the fiscal year. The amount amortized for the fiscal year shall EITHER be paid to the retirement system in equal annual installments over a ten-year period, with interest on the unpaid balance at a rate determined by the comptroller which approximates a market rate of return on taxable fixed rate securities with similar terms issued by comparable issuers, and with the first installment due in the immediately succeeding fiscal year OR SHALL BE PAID TO THE RETIREMENT SYSTEM THROUGH THE FINANCING OF A BOND RESOLUTION ELECTED BY

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

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THE LOCAL GOVERNING BOARD PURSUANT TO THE PROVISIONS OF PARAGRAPH FOUR OF THIS SUBDIVISION.

(4) THE EMPLOYER SHALL HAVE THE AUTHORITY TO ADOPT A BOND RESOLUTION FOR THE PURPOSES OF THIS SECTION. THE GOVERNING BOARD MAY ELECT TO PROVIDE FOR THE FINANCING OF THE AMOUNT ELIGIBLE FOR AMORTIZATION DUE FROM SUCH EMPLOYER. THE ISSUANCE OF THE BOND PURSUANT TO THIS SECTION SHALL COMPLY WITH THE LOCAL FINANCE LAW AND MAY ONLY BE USED FOR THE PURPOSE OF PAYMENT TO THE RETIREMENT SYSTEM FOR THE EMPLOYER'S ANNUAL BILL. THE PROCEEDS OF SUCH BOND ISSUANCE SHALL BE DEPOSITED BY SUCH EMPLOYER IN A RETIREMENT CONTRIBUTION RESERVE ACCOUNT ESTABLISHED PURSUANT TO SECTION SIX-R OF THE GENERAL MUNICIPAL LAW AND SHALL BE APPLIED TO THE PAYMENT TO THE RETIREMENT SYSTEM AS PROVIDED IN THIS SECTION.

S 2. Section 6-r of the general municipal law is amended by adding a new subdivision 11 to read as follows:

11. A PARTICIPATING EMPLOYER WHICH HAS DEPOSITED THE PROCEEDS OF A BOND ISSUANCE AUTHORIZED PURSUANT TO PARAGRAPH FOUR OF SUBDIVISION D OF SECTION NINETEEN-A OF THE RETIREMENT AND SOCIAL SECURITY LAW IS AUTHORIZED TO WITHDRAW ONLY IN ACCORDANCE TO THE PROVISIONS OF PARAGRAPH ONE OF SUBDIVISION D OF SECTION NINETEEN-A OF THE RETIREMENT AND SOCIAL SECURITY LAW.

S 3. This act shall take effect immediately.