

8505

2011-2012 Regular Sessions

I N   A S S E M B L Y

June 20, 2011

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Introduced by M. of A. ABINANTI, LATIMER, PAULIN, THIELE, RUSSELL,  
GOODELL, GUNTHER -- Multi-Sponsored by -- M. of A. CASTELLI, ENGLE-  
BRIGHT, JAFFEE, KATZ, LUPARDO, MAGEE, REILLY, SCHIMEL, SPANO -- read  
once and referred to the Committee on Governmental Employees

AN ACT to amend the retirement and social security law and the education  
law, in relation to imposing a cap on the amount of contributions paid  
by employers

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

1     Section 1.     Section 17 of the retirement and social security law, as  
2     amended by chapter 33 of the laws of 1986, subdivision a as amended by  
3     chapter 62 of the laws of 1989, subdivision c as amended by chapter 260  
4     of the laws of 2004, is amended to read as follows:  
5     S 17. Annual appropriation by participating employers. a. On or before  
6     the fifteenth day of November, nineteen hundred eighty-nine and of each  
7     succeeding calendar year, the comptroller shall determine the amount  
8     which each participating employer is required to pay to the retirement  
9     system to discharge its obligations thereto for the fiscal year of the  
10    retirement system which ends on March thirty-first of nineteen hundred  
11    ninety and of each succeeding calendar year on account of its employees  
12    who are members of this system. The comptroller shall submit to the  
13    fiscal officer of each such employer a statement of the amount so paya-  
14    ble.  
15    This amount shall consist of the amount deemed necessary to provide  
16    for payment in full of (i) all estimated obligations of each participat-  
17    ing employer for the current fiscal year of the retirement systems and  
18    (ii) any additional obligation, plus interest on such amount, for fiscal  
19    years preceding the current fiscal year. SUCH AMOUNT SHALL, HOWEVER, BE  
20    SUBJECT TO THE LIMITATION SET FORTH IN SUBDIVISION F OF THIS SECTION. If  
21    as a result of the amount determined to be paid for any fiscal year, a  
22    participating employer overpaid its actual obligation to the retirement

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

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1 system for that year, the amount to be determined by the comptroller for  
2 the next succeeding November fifteenth shall reflect the amount of the  
3 overpayment, plus interest as defined in section sixteen of this article  
4 on such amount, as a reduction in the amount otherwise required to be  
5 paid by such participating employer.

6 b. Each participating employer annually shall appropriate a sum suffi-  
7 cient to pay such amount, SUBJECT TO THE LIMITATION SET FORTH IN SUBDI-  
8 VISION F OF THIS SECTION. In the event the comptroller's statement is  
9 not received before annual appropriations are made by such employer, a  
10 sum estimated by the comptroller to be sufficient for such purpose shall  
11 be included with such annual appropriations.

12 c. Payment of the amount specified in the comptroller's statement,  
13 SUBJECT TO THE LIMITATION SET FORTH IN SUBDIVISION F OF THIS SECTION,  
14 shall be made by a participating employer within seventy-eight days  
15 after the receipt of such statement; provided, however, that in no case  
16 shall any participating employer be required to make this payment before  
17 February first of the calendar year next succeeding the calendar year in  
18 which such statement is received. The comptroller is authorized to  
19 provide for and accept pre-payment.

20 d. If payment of the [full amount] EMPLOYER'S PORTION of such obli-  
21 gations is not made by the date required by subdivision c of this  
22 section, interest at a rate determined in accordance with the provisions  
23 of section sixteen of this article shall commence to run against the  
24 unpaid balance thereof on the first day after the date required by said  
25 subdivision c.

26 e. The comptroller shall have full power and authority to bring suit  
27 in the supreme court against any participating employer to recover any  
28 sum FOR WHICH THE EMPLOYER IS RESPONSIBLE, payment of which is not made  
29 as herein required. While any such sum OWED BY THE EMPLOYER shall remain  
30 due and unpaid [he] THE COMPTROLLER may refuse to audit any claim for  
31 funds due to such employer from the state.

32 F. (1) OF THE AMOUNT DETERMINED BY THE COMPTROLLER PURSUANT TO SUBDI-  
33 VISION A OF THIS SECTION, AN EMPLOYER SHALL NOT BE REQUIRED TO PAY MORE  
34 THAN THE PRIOR YEAR'S EMPLOYER CONTRIBUTION PLUS THE LESSER OF: TWO  
35 PERCENT OR THE INFLATION FACTOR.

36 (2) ANY DIFFERENCE BETWEEN THE AMOUNT COMPUTED BY THE COMPTROLLER  
37 PURSUANT TO SUBDIVISION A OF THIS SECTION AND THE MAXIMUM AMOUNT  
38 REQUIRED TO BE PAID BY THE EMPLOYER PURSUANT TO PARAGRAPH ONE OF THIS  
39 SUBDIVISION SHALL BE APPROPRIATED TO THE RETIREMENT SYSTEM OUT OF MONEYS  
40 IN THE GENERAL FUND OF THE STATE.

41 (3) FOR THE PURPOSES OF THIS SUBDIVISION, "INFLATION FACTOR" MEANS THE  
42 QUOTIENT OF: (I) THE AVERAGE OF THE NATIONAL CONSUMER PRICE INDEXES  
43 DETERMINED BY THE UNITED STATES DEPARTMENT OF LABOR FOR THE TWELVE-MONTH  
44 PERIOD ENDING SIX MONTHS PRIOR TO THE START OF THE COMING FISCAL YEAR  
45 MINUS THE AVERAGE OF THE NATIONAL CONSUMER PRICE INDEXES DETERMINED BY  
46 THE UNITED STATES DEPARTMENT OF LABOR FOR THE TWELVE-MONTH PERIOD ENDING  
47 SIX MONTHS PRIOR TO THE START OF THE PRIOR FISCAL YEAR, DIVIDED BY: (II)  
48 THE AVERAGE OF THE NATIONAL CONSUMER PRICE INDEXES DETERMINED BY THE  
49 UNITED STATES DEPARTMENT OF LABOR FOR THE TWELVE-MONTH PERIOD ENDING SIX  
50 MONTHS PRIOR TO THE START OF THE PRIOR FISCAL YEAR, WITH THE RESULT  
51 EXPRESSED AS A DECIMAL TO FOUR PLACES.

52 (4) FOR PURPOSES OF THIS SUBDIVISION, THE BASE YEAR FOR THE INITIAL  
53 CALCULATION OF LIMITED EMPLOYER CONTRIBUTIONS PURSUANT TO PARAGRAPH ONE  
54 OF THIS SUBDIVISION SHALL BE THE AMOUNT PAID BY THE EMPLOYER IN THE YEAR  
55 TWO THOUSAND ELEVEN. THE EMPLOYER PARTICIPATION CAP IMPOSED BY THIS

1 SUBDIVISION SHALL COMMENCE WITH EMPLOYER CONTRIBUTIONS MADE IN THE YEAR  
2 TWO THOUSAND TWELVE.

3 (5) THE PROVISIONS OF THIS SUBDIVISION SHALL NOT APPLY IN CITIES WITH  
4 A POPULATION OF ONE MILLION OR MORE.

5 S 2. Section 317 of the retirement and social security law, as  
6 amended by chapter 33 of the laws of 1986, subdivision a as amended by  
7 chapter 62 of the laws of 1989, and subdivision c as amended by chapter  
8 260 of the laws of 2004, is amended to read as follows:

9 S 317. Annual appropriation by participating employers. a. On or  
10 before the fifteenth day of November, nineteen hundred eighty-nine and  
11 of each succeeding year, the comptroller shall determine the amount  
12 which each participating employer is required to pay to the police and  
13 fire retirement system to discharge its obligations thereto for the  
14 fiscal year of the retirement system which ends on March thirty-first of  
15 nineteen hundred ninety and of each succeeding calendar year on account  
16 of its employees who are members of this system. The comptroller shall  
17 submit to the fiscal officer of each of such employer a statement of the  
18 amount so payable.

19 This amount shall consist of the amount deemed necessary to provide  
20 for payment in full of (i) all estimated obligations of each participat-  
21 ing employer for the current fiscal year of the retirement systems and  
22 (ii) any additional obligation, plus interest on such amount, for fiscal  
23 years preceding the current fiscal year. SUCH AMOUNT SHALL, HOWEVER, BE  
24 SUBJECT TO THE LIMITATION SET FORTH IN SUBDIVISION F OF THIS SECTION. If  
25 as a result of the amount determined to be paid for any fiscal year, a  
26 participating employer overpaid its actual obligation to the retirement  
27 system for that year, the amount to be determined by the comptroller for  
28 the next succeeding November fifteenth shall reflect the amount of the  
29 overpayment, plus interest as defined in section three hundred sixteen  
30 of this article on such amount, as a reduction in the amount otherwise  
31 required to be paid by such participating employer.

32 b. Each participating employer annually shall appropriate a sum suffi-  
33 cient to pay such amount, SUBJECT TO THE LIMITATION SET FORTH IN SUBDI-  
34 VISION F OF THIS SECTION. In the event the comptroller's statement is  
35 not received before annual appropriations are made by such employer, a  
36 sum estimated by the comptroller to be sufficient for such purpose shall  
37 be included with such annual appropriations.

38 c. Payment of the amount specified in the comptroller's statement,  
39 SUBJECT TO THE LIMITATION SET FORTH IN SUBDIVISION F OF THIS SECTION,  
40 shall be made by a participating employer within seventy-eight days  
41 after the receipt of such statement; provided, however, that in no case  
42 shall any participating employer be required to make this payment before  
43 February first of the calendar year next succeeding the calendar year in  
44 which such statement is received. The comptroller is authorized to  
45 provide for and accept pre-payment.

46 d. If payment of the [full amount] EMPLOYER'S PORTION of such obli-  
47 gations is not made by the date required by subdivision c of this  
48 section, interest at a rate determined in accordance with the provisions  
49 of section three hundred sixteen of this article shall commence to run  
50 against the unpaid balance thereof on the first day after the date  
51 required by said subdivision c.

52 e. The comptroller shall have full power and authority to bring suit  
53 in the supreme court against any participating employer to recover any  
54 sum FOR WHICH THE EMPLOYER IS RESPONSIBLE, payment of which is not made  
55 as herein required. While any such sum OWED BY THE EMPLOYER shall remain

1 due and unpaid [he] THE COMPTROLLER may refuse to audit any claim for  
2 funds due to such employer from the state.

3 F. (1) OF THE AMOUNT DETERMINED BY THE COMPTROLLER PURSUANT TO SUBDI-  
4 VISION A OF THIS SECTION, AN EMPLOYER SHALL NOT BE REQUIRED TO PAY MORE  
5 THAN THE PRIOR YEAR'S EMPLOYER CONTRIBUTION PLUS THE LESSER OF: TWO  
6 PERCENT OR THE INFLATION FACTOR.

7 (2) ANY DIFFERENCE BETWEEN THE AMOUNT COMPUTED BY THE COMPTROLLER  
8 PURSUANT TO SUBDIVISION A OF THIS SECTION AND THE MAXIMUM AMOUNT  
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17 THE UNITED STATES DEPARTMENT OF LABOR FOR THE TWELVE-MONTH PERIOD ENDING  
18 SIX MONTHS PRIOR TO THE START OF THE PRIOR FISCAL YEAR, DIVIDED BY: (II)  
19 THE AVERAGE OF THE NATIONAL CONSUMER PRICE INDEXES DETERMINED BY THE  
20 UNITED STATES DEPARTMENT OF LABOR FOR THE TWELVE-MONTH PERIOD ENDING SIX  
21 MONTHS PRIOR TO THE START OF THE PRIOR FISCAL YEAR, WITH THE RESULT  
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26 TWO THOUSAND ELEVEN. THE EMPLOYER PARTICIPATION CAP IMPOSED BY THIS  
27 SUBDIVISION SHALL COMMENCE WITH EMPLOYER CONTRIBUTIONS MADE IN THE YEAR  
28 TWO THOUSAND TWELVE.

29 (5) THE PROVISIONS OF THIS SUBDIVISION SHALL NOT APPLY IN CITIES WITH  
30 A POPULATION OF ONE MILLION OR MORE.

31 S 3. Subdivision 2 of section 521 of the education law, paragraph a as  
32 amended by chapter 553 of the laws of 1997, paragraph b as amended by  
33 chapter 871 of the laws of 1963, paragraphs f and g as added by chapter  
34 538 of the laws of 1984, paragraph h as amended by chapter 830 of the  
35 laws of 1992, paragraphs i, j, k, l, and m as added by chapter 175 of  
36 the laws of 1990, and paragraph n as added by chapter 482 of the laws of  
37 1996, is amended and a new subdivision 3 is added to read as follows:

38 2. The collection of employers' contributions shall be made as  
39 follows:

40 a. Upon the basis of each actuarial determination and appraisal  
41 provided herein, the retirement board shall annually prepare and certify  
42 to the commissioner of education a statement of the total amount neces-  
43 sary to be paid by all employers for the ensuing fiscal year to the  
44 pension accumulation and expense funds as provided under subdivision two  
45 of section five hundred seventeen and under section five hundred nine-  
46 teen of this article. Upon the basis of the rate of contribution for  
47 supplemental retirement allowances, determined in accordance with  
48 section five hundred thirty-two of this article, the retirement board  
49 shall certify to the commissioner [of education] a statement of the  
50 total amount necessary to be paid by all employers for the ensuing  
51 fiscal year to the supplemental retirement allowance fund. Said certif-  
52 ication shall include interest on amounts necessary to repay advances  
53 made to the supplemental retirement allowance fund pursuant to subdivi-  
54 sion f of section five hundred thirty-two of this article computed from  
55 the date of such advances at the rate determined in accordance with  
56 paragraph f of this subdivision.

b. The commissioner [of education] shall include in the certificate which he files with the state comptroller showing the amount of state funds apportioned to the school districts within each county for the support of common schools, a statement showing the amount to be contributed by each employer in each of such counties as required under this article.

The amount to be contributed by each employer except those who operate local district pension systems, shall be such percentage of the total compensation or salaries of all teachers in his employ who are members of the retirement system as the aggregate amount of the normal and deficiency contributions for the year shall bear to the total compensation or salaries paid by all employers, except those who operate local district pension systems, to all teachers who are members of the retirement system; PROVIDED, HOWEVER, THAT THE AMOUNT ACTUALLY PAID BY SUCH EMPLOYER SHALL BE SUBJECT TO THE CONTRIBUTION LIMITS ESTABLISHED IN SUBDIVISION THREE OF THIS SECTION.

c. The comptroller shall issue his warrant to the custodian of such fund directing such custodian to credit to the pension accumulation fund and expense fund respectively, from the appropriation for the support of common schools the amounts required to be made as contributions to such funds by the employers as shown by the certificate of the commissioner [of education] filed with him as directed in paragraph b of this subdivision, BUT SUBJECT TO THE CONTRIBUTION LIMIT ESTABLISHED PURSUANT TO SUBDIVISION THREE OF THIS SECTION.

d. The comptroller, in issuing his warrant to the custodian for payment to each county treasurer of that portion of the moneys apportioned for the support of common schools, shall deduct therefrom an amount equal to the amount required to be contributed by employers of such county, as shown by the certificate of the commissioner [of education] of this state filed with the comptroller as required by paragraph b of this subdivision, BUT SUBJECT TO THE CONTRIBUTION LIMIT ESTABLISHED PURSUANT TO SUBDIVISION THREE OF THIS SECTION.

e. In order to meet the financial requirements of this article, employers who obtain funds directly by taxation are hereby authorized and directed to levy annually such additional taxes as are required to provide the [funds deducted from the amounts apportioned to such employers from the appropriation of the state for the support of the common schools] EMPLOYER'S CONTRIBUTION AMOUNT AS DETERMINED PURSUANT TO SUBDIVISION THREE OF THIS SECTION.

f. Employers whose payments from the moneys apportioned from the state for the support of common schools are insufficient to pay the EMPLOYER'S PORTION OF THE amount due and owing the system, or who do not receive such payments, shall pay the system each year the amount of contributions due and owing from the employer, SUBJECT TO THE CONTRIBUTION LIMIT ESTABLISHED PURSUANT TO SUBDIVISION THREE OF THIS SECTION, pursuant to this article within thirty days from the date a bill is mailed by the system. Interest, at a rate equal to the average yield payable on fifty-two week United States treasury bills on June thirtieth immediately preceding the day the bill is mailed by the system, shall accrue on the EMPLOYER'S PORTION OF THE outstanding amount due and owing commencing with the thirty-first day after the bill is mailed.

g. Whenever the system determines the contributions made by an employer are less than the percentage of total compensation or salaries of members of the system in the employ of such employer, as required by this article, such employer shall pay the system such deficiency within thirty days from the date a bill is mailed by the system, PROVIDED SUCH

DEFICIENCY AMOUNT DOES NOT CAUSE THE EMPLOYER TO PAY MORE THAN THE MAXIMUM REQUIRED CONTRIBUTION AMOUNT CALCULATED PURSUANT TO SUBDIVISION THREE OF THIS SECTION. Interest, at a rate equal to the average yield payable on fifty-two week United States treasury bills on June thirtieth immediately preceding the day before the bill is mailed by the system, shall accrue on the EMPLOYER'S PORTION OF THE outstanding amount due and owing commencing with the thirty-first day after the bill is mailed.

h. Notwithstanding any provision of law to the contrary, commencing with the payments made in the fiscal year beginning July first, nineteen hundred ninety, and each fiscal year thereafter, the employer contributions due and payable as determined pursuant to the provisions of this article and the employee contributions due and payable pursuant to this article and articles fourteen and fifteen of the retirement and social security law, on account of compensation paid in the fiscal year immediately preceding, and those employer contributions due and payable in each fiscal year pursuant to chapter six hundred sixty-five of the laws of nineteen hundred eighty-four shall be made to the retirement system and collected in the manner set forth in this section each fiscal year in three payments, each equal to thirty-three and one-third percent of the total amount due for such fiscal year. Such payments shall be paid on September fifteenth, October fifteenth, and November fifteenth of each fiscal year. If a participating employer underpaid its obligation to the retirement system, such underpayment as determined by the retirement system shall be deducted from the amounts apportioned to such employer from the appropriation of the state for the support of the common schools due and payable the next April fifteenth. Employers whose payments from such appropriation are insufficient to pay the amount due and owing the system, or who do not receive such payments, shall be billed by the system for such underpayment and shall pay the system the amount due within thirty days from the date a bill is mailed by the system. The amount of any employer overpayment of its obligation to the retirement system, as determined by such system shall be a credit to the employer and shall reduce by an equal amount thereof the initial payment to be made by such employer to such system on the next succeeding September fifteenth.

i. Notwithstanding any provision of law to the contrary, the employer and employee contributions due and payable in the nineteen hundred eighty-nine--ninety fiscal year on account of compensation paid in the nineteen hundred eighty-eight--eighty-nine fiscal year which were paid prior to April first, nineteen hundred ninety shall be deemed (to the extent such amount is sufficient) to have consisted of all the employee contributions due and payable pursuant to this article and articles fourteen and fifteen of the retirement and social security law in the nineteen hundred eighty-nine--ninety fiscal year and those employer contributions due and payable in such fiscal year pursuant to chapter six hundred sixty-five of the laws of nineteen hundred eighty-four; and the remaining employer contributions so paid shall be applied evenly to the payments due and payable on September fifteenth, nineteen hundred ninety, October fifteenth, nineteen hundred ninety and November fifteenth, nineteen hundred ninety and the employer contributions amounting to eight hundred seventy-three million seven hundred eleven thousand six hundred fifteen dollars (\$873,711,615), due and payable pursuant to the provisions of this section in the nineteen hundred eighty-nine--ninety fiscal year on account of compensation paid in nineteen hundred eighty-eight--eighty-nine fiscal year, except those employer contributions due and payable in such fiscal year pursuant to chapter

1 six hundred sixty-five of the laws of nineteen hundred eighty-four,  
2 shall be deferred and payment shall be made to the retirement system in  
3 fifteen equal annual payments of ninety-eight million five hundred thir-  
4 ty-seven thousand five hundred seven dollars (\$98,537,507) on October  
5 fifteenth, commencing on October fifteenth, nineteen hundred ninety.  
6 Such payments are calculated at an interest rate of eight percent per  
7 annum. Provided, however, the retirement board is directed to permit the  
8 pre-payment of the amounts outstanding under this paragraph. The retire-  
9 ment board shall: (1) On or before September first, nineteen hundred  
10 ninety, in addition to the amount due for the current fiscal year bill-  
11 ing and for the payment of the amortized annual installment, furnish the  
12 total amount due and be authorized to accept pre-payment in full of said  
13 amount by October fifteenth, nineteen hundred ninety. (2) On or before  
14 each September first thereafter, in addition to the amount due for the  
15 current fiscal year billing and for the payment of the annual amortized  
16 installment, furnish the total amount still outstanding and be author-  
17 ized to accept the pre-payment of any portion of the balance remaining  
18 to be paid by October fifteenth of that year.

19 j. Prior to June first, nineteen hundred ninety, the valuation rate of  
20 interest adopted by the retirement board on April twenty-seventh, nine-  
21 teen hundred eighty-nine, may be retroactively revised to eight percent  
22 by the retirement board, as recommended by the actuary, as if adopted at  
23 the April twenty-seventh, nineteen hundred eighty-nine board meeting,  
24 and the employer contribution rate, adopted by the retirement board at  
25 the April twenty-seventh, nineteen hundred eighty-nine board meeting,  
26 revised by the retirement board at the July twenty-seventh, nineteen  
27 hundred eighty-nine board meeting, may be retroactively amended by the  
28 retirement board as if adopted at the July twenty-seventh, nineteen  
29 hundred eighty-nine board meeting and applied to contributions paid in  
30 the nineteen hundred ninety--ninety-one fiscal year. Notwithstanding any  
31 provision of law to the contrary, the actions of the retirement board  
32 pursuant to the provisions of this paragraph shall be deemed reasonable,  
33 prudent and proper. No member of the retirement board, officer, or  
34 employee of the New York state teachers' retirement system shall incur  
35 or suffer any liability whatsoever by reason of any actions pursuant to  
36 this paragraph, and such system shall save harmless and indemnify all  
37 members of the retirement board, its officers and employees from finan-  
38 cial loss arising out of any claim, demand, suit, action or judgment as  
39 a result of the actions taken pursuant to this paragraph provided that  
40 such person shall, within five days after the date on which he is served  
41 with any summons, complaint, process, notice, demand, claim or pleading,  
42 deliver the original or a true copy thereof to the legal advisor of such  
43 system. Upon such delivery, the legal advisor of such system may assume  
44 control of the representation of such person in connection with such  
45 claim, demand, suit, action or proceeding. Such person shall cooperate  
46 fully with the legal advisor of the system or any other person desig-  
47 nated to assume such defense in respect of such representation or  
48 defense.

49 k. The retirement board is authorized to adopt procedures and/or to  
50 promulgate rules and regulations as it deems necessary to adjust and  
51 reconcile any payments from employers to actual amounts due whether such  
52 payments were received prior or subsequent to the effective date of  
53 [the] chapter ONE HUNDRED SEVENTY-FIVE of the laws of nineteen hundred  
54 ninety [which added this paragraph to this section].

55 l. The provisions of paragraphs h and i of this subdivision shall  
56 constitute a contract and the rights of the New York state teachers'

1 retirement system thereunder shall not be impaired in any way whatsoev-  
2 er.

3 m. In addition to any other payment or collection procedure provided  
4 by this article, if the amounts credited from the appropriation for the  
5 support of common schools are insufficient to fully cover the amounts to  
6 be contributed by the employers, SUBJECT TO THE EMPLOYER'S CONTRIBUTION  
7 LIMIT ESTABLISHED PURSUANT TO SUBDIVISION THREE OF THIS SECTION, the  
8 retirement board is authorized to certify the unpaid amount OF THE  
9 EMPLOYER'S CONTRIBUTION to the state comptroller, and the state comp-  
10 troller shall, to the extent not otherwise prohibited by law, withhold  
11 such amount from any succeeding payment from any other form of state aid  
12 provided to the employer. If any employer fails to pay the amounts  
13 required to be contributed pursuant to this section, the retirement  
14 system shall be entitled to reasonable attorney fees and other expenses  
15 incurred to collect such amounts due and owing. Fees shall be determined  
16 pursuant to prevailing market rates for the kind and quality of the  
17 services furnished.

18 n. Notwithstanding any other provision of law to the contrary, the  
19 board of education or trustees of a school district which is a partic-  
20 ipating employer, which has elected to make payments of the employer  
21 contributions due and payable to the retirement system pursuant to para-  
22 graph i of this subdivision in amortized annual installments, and which  
23 has determined to make pre-payment of the total amount of such contrib-  
24 utions outstanding in accordance with said paragraph i, may adopt a bond  
25 resolution authorizing the refinancing of such debt by the issuance of  
26 bonds in the amount of such pre-payment without conducting a vote on a  
27 tax to be collected in installments, provided that such refinancing will  
28 result in savings to the school district, as certified by the state  
29 comptroller, and provided further that the issuance of such obligations  
30 otherwise complies with the requirements of the local finance law and  
31 this chapter.

32 3. A. OF THE AMOUNT REQUIRED TO BE CONTRIBUTED BY EMPLOYERS OF THE  
33 COUNTY AS STATED IN SUBDIVISION TWO OF THIS SECTION, AN EMPLOYER SHALL  
34 NOT BE REQUIRED TO CONTRIBUTE MORE THAN THE PRIOR YEAR'S EMPLOYER  
35 CONTRIBUTION PLUS THE LESSER OF: TWO PERCENT OR THE INFLATION FACTOR.

36 B. ANY DIFFERENCE BETWEEN THE AMOUNT CONTAINED IN THE WARRANT ISSUED  
37 BY THE COMPTROLLER PURSUANT TO SUBDIVISION TWO OF THIS SECTION AND THE  
38 MAXIMUM AMOUNT REQUIRED TO BE PAID BY THE EMPLOYER PURSUANT TO THIS  
39 SUBDIVISION SHALL BE APPROPRIATED TO THE RETIREMENT SYSTEM OUT OF MONEYS  
40 IN THE GENERAL FUND OF THE STATE.

41 C. FOR THE PURPOSES OF THIS SUBDIVISION, "INFLATION FACTOR" MEANS THE  
42 QUOTIENT OF: (I) THE AVERAGE OF THE NATIONAL CONSUMER PRICE INDEXES  
43 DETERMINED BY THE UNITED STATES DEPARTMENT OF LABOR FOR THE TWELVE-MONTH  
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50 MONTHS PRIOR TO THE START OF THE PRIOR FISCAL YEAR, WITH THE RESULT  
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52 D. FOR PURPOSES OF THIS SUBDIVISION, THE BASE YEAR FOR THE INITIAL  
53 CALCULATION OF LIMITED EMPLOYER CONTRIBUTIONS PURSUANT TO PARAGRAPH A OF  
54 THIS SUBDIVISION SHALL BE THE AMOUNT PAID BY THE EMPLOYER IN THE YEAR  
55 TWO THOUSAND ELEVEN. THE EMPLOYER CONTRIBUTION CAP IMPOSED BY THIS



1 SUBDIVISION SHALL COMMENCE WITH EMPLOYER CONTRIBUTIONS MADE IN THE YEAR  
2 TWO THOUSAND TWELVE.

3 E. THE PROVISIONS OF THIS SUBDIVISION SHALL NOT APPLY IN CITIES WITH A  
4 POPULATION OF ONE MILLION OR MORE.

5 S 4. This act shall take effect immediately and shall apply to employ-  
6 er contributions made commencing January 1, 2012.