

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

6568--A

2011-2012 Regular Sessions

I N A S S E M B L Y

March 22, 2011

Introduced by M. of A. CALHOUN -- read once and referred to the Committee on Governmental Employees -- recommitted to the Committee on Governmental Employees in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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:

1 Section 1. Notwithstanding any provision of law to the contrary,
2 Walter M. Callahan, a retired member of the New York state and local
3 employees' retirement system who has been receiving enhanced retirement
4 benefits pursuant to the retirement incentive enacted pursuant to chap-
5 ter 86 of the laws of 2000 since his retirement on November 4, 2000, who
6 on August 30, 2006 was appointed as a business administrator employed by
7 a school district, and who upon assuming such business administrator
8 position became a member of the New York state teachers' retirement
9 system, shall be entitled to elect to be deemed retroactively to have
10 transferred his membership in the New York state and local employees'
11 retirement system to the New York state teachers' retirement system
12 pursuant to section 43 of the retirement and social security law as of
13 November 3, 2000, provided that upon retirement from the New York state
14 teachers' retirement system, his retirement allowance shall be (a)
15 recalculated taking into account the forfeiture of his enhanced retire-
16 ment benefits by reason of his return to public service pursuant to
17 section 11 of chapter 41 of the laws of 1997, and (b) reduced by the
18 actuarial equivalent of the retirement benefits received by Walter M.
19 Callahan prior to his election pursuant to this section; and further,
20 provided, that Walter M. Callahan shall not be required to make any

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

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1 employee contribution to the New York state teachers' retirement system
2 and upon retirement from the New York state teachers' retirement system,
3 his retirement allowance shall be increased by the actuarial equivalent
4 of the employee contributions he has made to the New York state teachers'
5 retirement system between August 30, 2006 and his election pursuant
6 to this section. In order to effect such retroactive transfer pursuant
7 to this section, Walter M. Callahan shall provide, on or before December
8 31, 2012, notice to the comptroller and the governing body of the New
9 York state teachers' retirement system of his election to transfer his
10 membership in the New York state and local employees' retirement system
11 pursuant to this section.

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

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

19 S 4. This act shall take effect immediately.

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

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, 2012.

The cost of this benefit is equal to the increase in the present value of liabilities, which is estimated to be \$307,000. This cost will be partially offset by the pension reserve transferred from the New York State and Local Employees' Retirement System in accordance with the bill.

The source of this estimate is Fiscal Note 2012-28 dated May 1, 2012 prepared by the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2012 Legislative Session. I, Richard A. Young, am the Actuary for the New York State Teachers' Retirement System. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

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

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 retroactive-

ly 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. Callahan's 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.

Summary of relevant resources:

Data: March 31, 2011 Actuarial Year End File with distributions of membership and other statistics displayed in the 2011 Report of the Actuary and 2011 Comprehensive Annual Financial Report.

Assumptions and Methods: 2010 and 2011 Annual Report to the Comptroller on Actuarial Assumptions, Codes Rules and Regulations of the State of New York: Audit and Control.

Market Assets and GASB Disclosures: March 31, 2011 New York State and Local Retirement System Financial Statements and Supplementary Information.

Valuations of Benefit Liabilities and Actuarial Assets: summarized in the 2011 Actuarial Valuations report.

I am a member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

This estimate, dated January 27, 2012 and intended for use only during the 2012 Legislative Session, is Fiscal Note No. 2012-74, prepared by the Actuary for the New York State and Local Employees' Retirement System.