

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:

1 Section 1. Paragraph 1 of subdivision d of section 19-a of the retire-
2 ment and social security law, as added by section 1 of part TT of chap-
3 ter 57 of the laws of 2010, is amended and a new paragraph 4 is added to
4 read as follows:
5 (1) For any given fiscal year for which an employer's average actuari-
6 al contribution rate exceeds the system graded contribution rate, the
7 employer shall pay to the retirement system an amount equal to the
8 employer's annual bill for such year or, in lieu of paying the entire
9 annual bill, the employer may pay an amount equal to the employer's
10 annual bill less all or a portion of the employer's amount eligible for
11 amortization for the fiscal year. If in accordance with this paragraph
12 the employer's payment to the retirement system is less than the entire
13 amount of the employer's annual bill, then the difference between the
14 employer's annual bill, and the amount actually paid by the employer to
15 the retirement system exclusive of any amount from the employer contrib-
16 ution reserve fund applied to reduce the employer's payment, shall be
17 the amount amortized for the fiscal year. The amount amortized for the
18 fiscal year shall EITHER be paid to the retirement system in equal annu-
19 al installments over a ten-year period, with interest on the unpaid
20 balance at a rate determined by the comptroller which approximates a
21 market rate of return on taxable fixed rate securities with similar
22 terms issued by comparable issuers, and with the first installment due
23 in the immediately succeeding fiscal year OR SHALL BE PAID TO THE
24 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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1 THE LOCAL GOVERNING BOARD PURSUANT TO THE PROVISIONS OF PARAGRAPH FOUR
2 OF THIS SUBDIVISION.

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

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

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

21 S 3. This act shall take effect immediately.