

10372

I N   A S S E M B L Y

May 24, 2016

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

AN ACT to amend the administrative code of the city of New York, in relation to the rate of regular interest used in the actuarial valuation of liabilities for the purpose of calculating contributions to the New York city employees' retirement system, the New York city teachers' retirement system, the police pension fund, subchapter two, the fire department pension fund, subchapter two and the board of education retirement system of such city by public employers and other obligors required to make employer contributions to such retirement systems, the crediting of special interest and additional interest to members of such retirement systems, and the allowance of supplementary interest on the funds of such retirement systems

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

1     Section 1. Paragraph 2 of subdivision b of section 13-638.2 of the  
2     administrative code of the city of New York, as amended by chapter 3 of  
3     the laws of 2013, is amended to read as follows:

4     (2) With respect to each retirement system, such rate of interest  
5     shall be as hereinafter set forth in this paragraph:

	Rate of interest per centum per annum, compounded annually	First day and last day of fiscal year or series of fiscal years for which rate is effective
6     Retirement		
7     System		
8     NYCERS	7%	July 1, 2011 to
9     NYCTRS	7%	June 30, [2016] 2017
10     PPF	7%	July 1, 2011 to
11		June 30, [2016] 2017
12		July 1, 2011 to
13		June 30, [2016] 2017
14		July 1, 2011 to
15		June 30, [2016] 2017
16		July 1, 2011 to
17		June 30, [2016] 2017
18		

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

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1	FPF	7%	July 1, 2011 to
2			June 30, [2016] 2017
3	BERS	7%	July 1, 2011 to
4			June 30, [2016] 2017

5 S 2. Paragraph 2 of subdivision f of section 13-638.2 of the adminis-  
 6 trative code of the city of New York, as amended by chapter 3 of the  
 7 laws of 2013, is amended to read as follows:

8 (2) Such special interest shall be allowed at the rates and for the  
 9 periods set forth below in this paragraph:

10			First day and
11			last day of
12		Rate of interest	fiscal year or
13		per centum per	series of fiscal
14	Retirement	annum, compounded	years for which
15	System	annually	rate is effective
16			
17	NYCERS	1 1/4%	July 1, 2011 to
18			June 30, [2016] 2017
19	NYCTRS	1 1/4%	July 1, 2011 to
20			June 30, [2016] 2017
21	PPF	1 1/4%	July 1, 2011 to
22			June 30, [2016] 2017
23	FPF	1 1/4%	July 1, 2011 to
24			June 30, [2016] 2017
25	BERS	1 1/4%	July 1, 2011 to
26			June 30, [2016] 2017

27 S 3. Paragraph 2 of subdivision g of section 13-638.2 of the adminis-  
 28 trative code of the city of New York, as amended by chapter 3 of the  
 29 laws of 2013, is amended to read as follows:

30 (2) Such additional interest shall be included at the rates and for  
 31 the periods set forth below in this paragraph:

32			First day and
33			last day of
34		Rate of interest	fiscal year or
35		per centum per	series of fiscal
36	Retirement	annum, compounded	years for which
37	System	annually	rate is effective
38			
39	NYCERS	1 1/4%	July 1, 2011 to
40			June 30, [2016] 2017
41	NYCTRS	1 1/4%	July 1, 2011 to
42			June 30, [2016] 2017
43	PPF	1 1/4%	July 1, 2011 to
44			June 30, [2016] 2017
45	FPF	1 1/4%	July 1, 2011 to
46			June 30, [2016] 2017
47	BERS	1 1/4%	July 1, 2011 to
48			June 30, [2016] 2017

49 S 4. Paragraph 2 of subdivision i of section 13-638.2 of the adminis-  
 50 trative code of the city of New York, as amended by chapter 3 of the  
 51 laws of 2013, is amended to read as follows:

(2) Such supplementary interest shall be allowed at the rates and for the periods set forth below in this paragraph:

	Rate of interest per centum per annum, compounded annually	First day and last day of fiscal year or series of fiscal years for which rate is effective
Retirement System		
NYCERS	0%	July 1, 2011 to June 30, [2016] 2017
NYCTRS	0%	July 1, 2011 to June 30, [2016] 2017
PPF	0%	July 1, 2011 to June 30, [2016] 2017
FPF	0%	July 1, 2011 to June 30, [2016] 2017
BERS	0%	July 1, 2011 to June 30, [2016] 2017

S 5. This act shall take effect July 1, 2016, except that if it shall have become a law subsequent to such date, this act shall take effect immediately and be deemed to have been in full force and effect on and after July 1, 2016.

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

FISCAL NOTE: PROVISIONS OF PROPOSED LEGISLATION - OVERVIEW: The enactment of this proposed legislation (referred to hereafter as Interest Rate Extender Legislation) would amend Administrative Code of the City of New York (ACNY) Section 13-638.2, as amended by Chapter 3 of the Laws of 2013 (Chapter 3/13), to continue for Fiscal Year 2017 for the five actuarially-funded New York City Retirement Systems (NYCRS) the following rates that expire on June 30, 2016:

\* The 8.25% per annum rate used to credit interest on Tier I and Tier II member account balances and Increased-Take-Home-Pay (ITHP) Reserves, and

\* The 7.00% per annum Actuarial Interest Rate (AIR) assumption used to compute employer contributions.

The Effective Date for this proposed Interest Rate Extender Legislation would be July 1, 2016.

FINANCIAL IMPACT - EMPLOYER CONTRIBUTIONS: The continuation for Fiscal Year 2017 of the same 8.25% per annum rate that was used for Fiscal Year 2016 to credit interest on Tier I and Tier II member contributions and ITHP Reserves would not change the amount or timing of expected employer contributions.

The continuation for Fiscal Year 2017 of the AIR assumption of 7.00% per annum that was used to determine employer contributions to the NYCRS for Fiscal Year 2016 would not change the expected amount or timing of employer contributions.

OTHER COSTS: Enactment of this proposed legislation would not be expected to produce any additional costs.

STATEMENT OF ACTUARIAL OPINION: I, Sherry S. Chan, am the Chief Actuary for the New York City Retirement Systems. I am an Associate of the Society of Actuaries, a Fellow of the Conference of Consulting Actuaries, and a Member of the American Academy of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the

actuarial opinion contained herein. To the best of my knowledge, the results contained herein have been prepared in accordance with generally accepted actuarial principles and procedures and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

FISCAL NOTE IDENTIFICATION: This estimate is intended for use only during the 2016 Legislative Session. It is Fiscal Note 2016-09, dated March 15, 2016, prepared by the Chief Actuary for the New York City Retirement Systems.