

5632--A

2015-2016 Regular Sessions

I N S E N A T E

May 21, 2015

Introduced by Sen. GOLDEN -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the retirement and social security law, in relation to the SUNY optional retirement program

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

1 Section 1. Paragraph 2 of subdivision d of section 613 of the retire-
2 ment and social security law, as amended by chapter 746 of the laws of
3 1990, is amended to read as follows:
4 2. Each participating employer of any employee (subject to this arti-
5 cle) who, in lieu of joining a public retirement system of the state,
6 elected an optional retirement program to which their employers are
7 thereby required to contribute, INCLUDING, BUT NOT LIMITED TO, AN
8 ELECTION UNDER THE PROVISIONS OF SUBDIVISION THREE-A OR EIGHT-A OF
9 SECTION THREE HUNDRED NINETY OF THE EDUCATION LAW, shall pick up the
10 employee contributions thereto which would otherwise be mandatory under
11 the provisions of state law and shall do so by reducing the salary of
12 such employee by the amount of employee contributions to such optional
13 retirement program which would otherwise be mandatory under the
14 provisions of state law. The contributions so picked up shall be paid by
15 each participating employer in lieu of the member contributions to be
16 paid by its employees and shall be treated as employer contributions in
17 determining income tax treatment under section 414 (h) of the internal
18 revenue code.
19 S 2. This act shall take effect immediately and shall be deemed to
20 have been in full force and effect on and after July 1, 2013.

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

This bill clarifies that the State University of New York's Optional Retirement Program (ORP) permits employee contributions to be "picked-

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

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up" under Internal Revenue Code for employees who make an election to participate under the provisions of subdivision three-a or eight-a of section three hundred ninety of the education law. The pick up of contributions shall be made by a reduction in each affected member's salary by an amount equal to the member's required contributions. The picked up contributions would not be includable in the gross income for income tax purposes but shall be deemed employee salary for all other purposes. This is a technical amendment to ensure the income tax treatment is properly authorized by statute. If this bill is enacted, we anticipate that there will be small administrative costs.

This estimate, dated June 9, 2015, and intended for use only during the 2015 Legislative Session, was prepared by the Program Administrator of the Optional Retirement System for the State University of New York.