

7386

I N S E N A T E

April 25, 2016

Introduced by Sen. SAVINO -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions

AN ACT to amend the retirement and social security law, in relation to the transfer of members between public retirement systems; and to repeal subdivisions g and i of section 43 of such law relating thereto

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

1 Section 1. Subdivisions b and d of section 43 of the retirement and
2 social security law, subdivision b as amended by chapter 724 of the laws
3 of 1959 and subdivision d as amended by chapter 905 of the laws of 1971,
4 are amended to read as follows:
5 b. In order to effect such a transfer, a member must give notice to
6 the administrative head of the retirement system of which he OR SHE is a
7 member, prior to his OR HER withdrawal therefrom, of his OR HER inten-
8 tion to enter such other retirement system [within one year. In the case
9 of a person who has withdrawn from a retirement system and has been
10 entitled to at least thirty years of total service credit in such
11 system, however, such notice may be given within three years from the
12 time of such withdrawal. In the case of a person who was a member of a
13 retirement system, and who while under such status becomes a member of
14 such second retirement system, and who has not withdrawn his contrib-
15 utions to the first such retirement system, any provisions of law
16 notwithstanding, such notice may be given on or before June thirtieth,
17 nineteen hundred fifty-nine]. A person so transferring from one retire-
18 ment system to another shall be deemed to have been a member of the
19 system to which he OR SHE has transferred during the entire period of
20 membership service credited to him OR HER in the system from which he OR
21 SHE has transferred. Such transferee, however, shall not receive more
22 than three per cent interest on his OR HER contributions and accumulated
23 contributions unless he OR SHE has continuously been a member in either
24 the system from which or to which he OR SHE is transferring since a date
25 prior to July first, nineteen hundred forty-three. This shall not be
26 construed to prevent a change in the interest rate to such member if the
27 interest rate payable to other members of the system to which he OR SHE

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

LBD15108-01-6

1 has transferred is changed. Any member who heretofore transferred from
2 one retirement system to another shall, commencing with the effective
3 date of [this act] CHAPTER NINE HUNDRED THREE OF THE LAWS OF NINETEEN
4 HUNDRED FIFTY-SEVEN, be entitled to the same rights, privileges and
5 benefits, and shall be subject to the same obligations, as a transferee
6 who [hereafter] THEREAFTER transfers. He OR SHE shall receive no credit
7 for prior service, except as hereinafter provided. He OR SHE shall be
8 permitted to deposit in the second retirement system the total amount of
9 his contributions withdrawn from the first retirement system. [Upon such
10 deposit within one year or within three years, or on or before June
11 thirtieth, nineteen hundred fifty-nine, as the case may be, he or the
12 administrative head of the system to which he desires to transfer, shall
13 request the administrative head of the first retirement system to trans-
14 fer to the second retirement system a credit on account of his member-
15 ship in such system.]

16 d. Such reserve shall be transferred from the appropriate fund or
17 funds of the first system to the appropriate fund or funds of the second
18 system [within one year from the date of the request for a transfer of
19 credit]. Such member, thereupon, shall be given such status and credited
20 with such service in the second retirement system as he was allowed in
21 the first retirement system. Such contributor, notwithstanding any other
22 provision of law, shall on retirement [after three years of member
23 service in the second retirement system] be entitled to a pension based
24 on salary earned during member service [in either retirement system, or]
25 in both retirement systems together, [whichever may produce the greater
26 pension] pursuant to the statutory requirements of the second retirement
27 system. [No such contributor, however, shall be entitled on retirement
28 within three years of the date of his transfer, to a greater or lesser
29 pension for such service rendered before his transfer than he would have
30 received had he remained under the pension provisions of the first
31 retirement system.]

32 S 2. Subdivisions g and i of section 43 of the retirement and social
33 security law are REPEALED.

34 S 3. This act shall take effect immediately.

FISCAL NOTE.-- PROVISIONS OF PROPOSED LEGISLATION: This proposed
legislation would amend subdivisions b and d of Section 43 of the
Retirement and Social Security Law (RSSL) to simplify the administration
of transfers between the retirement systems within New York State. The
proposed legislation would also repeal subdivisions g and i of Section
43 of the RSSL to simplify the statute by removing outdated language
that no longer affects members of any of the retirement systems.

The effective date of the proposed legislation would be the date of
enactment.

IMPACT ON BENEFITS: The proposed change to subdivision b of Section 43
of the RSSL would eliminate the one-year time limit for members to give
notice of their intent to transfer between retirement systems. The
proposed change to subdivision d of Section 43 of the RSSL would elimi-
nate the requirement that a transferee acquire at least three years of
service in the second retirement system in order to have their pension
calculated using service credit and salary history as if they were
always in the second retirement system.

FINANCIAL IMPACT: The number of members expected to be impacted by
this proposed legislation cannot be readily determined. However, based
on the small number of members who would have been affected by this
change in the past, enactment of this proposed legislation is expected
to result in an increase in employer contributions of no more than

\$25,000 per year, in total, to the New York City Employees' Retirement System, the New York City Teachers' Retirement System and the New York City Board of Education Retirement System.

FINANCIAL IMPACT - ADMINISTRATIVE EXPENSES: The enactment of this legislation is expected to serve to alleviate administrative burdens by reducing multiple transfers by members who change employment several times.

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.

FISCAL NOTE IDENTIFICATION: This estimate is intended for use only during the 2016 Legislative Session. It is Fiscal Note 2016-16, dated April 5, 2016 prepared by the Chief Actuary for the New York City Employees' Retirement System, the New York City Teachers' Retirement System and the New York City Board of Education Retirement System.