STATE OF NEW YORK

S. 5134--A A. 6548--A

2017-2018 Regular Sessions

SENATE - ASSEMBLY

March 9, 2017

IN SENATE -- Introduced by Sen. LAVALLE -- read twice and ordered printed, and when printed to be committed to the Committee on Civil Service and Pensions -- recommitted to the Committee on Civil Service and Pensions in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

IN ASSEMBLY -- Introduced by M. of A. THIELE -- 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 amend the retirement and social security law, in relation to participation by free association libraries in the New York state and local employees' retirement system

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The retirement and social security law is amended by adding a new section 31-g to read as follows:

§ 31-g. Participation by free association libraries. A free association library as defined in section two hundred fifty-three of the education law and which meets the criteria set forth in this section, may by resolution adopted as provided in section seven hundred eight of the not-for-profit corporation law by its board of trustees and subject to the approval of the comptroller, elect to participate in the retirement system. Acceptance of its employees for membership in the retirement system shall be mandatory with the comptroller, who shall determine the amounts of contribution payable by such library and its employees, shall resolve questions of credit for prior service, and shall in all other respects assure that such employees share the same rights, obligations and benefits as other members of the retirement system. A free

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

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association library shall be eligible to join the retirement system under the following conditions:

(a) such library shall be chartered by the state board of regents;

(b) such library shall serve the entire population of its chartered service area;

(c) the board of trustees of such library shall be elected by the voters of its chartered service area;

(d) such library's budget shall be approved by the voters of its chartered service area;

(e) at least fifty-one percent of such library's budget shall derive from public sources; and

(f) such library shall file the annual report with the comptroller as required of public libraries by section thirty of the general municipal law.

§ 2. This act shall take effect immediately.

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

This bill would permit any free association public library which meets certain specific criteria to elect participation in the New York State and Local Employees' Retirement System.

If this bill is enacted and an eligible corporation elects participation, the future annual cost would depend on the retirement plan adopted and the billable salary of the electing corporation.

As a percentage of payroll, we anticipate that the annual contributions of the affected corporation for the fiscal year ending March 31, 2019, will be as follows:

Tier	Rate
1	10.6% to 21.4%
2	9.7% to 19.4%
3	15.7%
4	15.7%
5	12.9%
6	9.2%

In addition to the annual contributions discussed above, there will be a deficiency cost to the affected corporation which will be payable for a 25 year period. These costs will depend on the age, service, salary, tier status and plan of the affected employees.

Summary of relevant resources:

The membership data used in measuring the impact of the proposed change was the same as that used in the March 31, 2017 actuarial valuation. Distributions and other statistics can be found in the 2017 Report of the Actuary and the 2017 Comprehensive Annual Financial Report.

The actuarial assumptions and methods used are described in the 2015, 2016, and 2017 Annual Report to the Comptroller on Actuarial Assumptions, and the Codes Rules and Regulations of the State of New York: Audit and Control.

The Market Assets and GASB Disclosures are found in the March 31, 2017 New York State and Local Retirement System Financial Statements and Supplementary Information.

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 31, 2018 and intended for use only during the 2018 Legislative Session, is Fiscal Note No. 2018-53, prepared by the Actuary for the New York State and Local Retirement System.