

STATE OF NEW YORK

5135--A

2017-2018 Regular Sessions

IN SENATE

March 9, 2017

Introduced by Sen. SAVINO -- (at request of the NYS Teachers' Retirement System) -- 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 education law, in relation to making technical corrections to eliminate the restrictions upon transferring for members of the New York state teachers' retirement system

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

1 Section 1. Subdivision 2 of section 522 of the education law, as
2 amended by chapter 219 of the laws of 1976, is amended to read as
3 follows:
4 2. Any contributor entering the retirement system after having with-
5 drawn from another retirement system and having given notice at the time
6 of withdrawal to the retirement board of such system of his or her
7 intention of becoming [~~within one year~~] a member of the retirement
8 system, may deposit in the annuity savings fund the amount of his or her
9 accumulated contributions withdrawn from such other retirement system or
10 if the member had no accumulated contributions credited to his or her
11 individual account in such other retirement system, such member shall in
12 lieu of depositing moneys in the annuity savings fund, file a notice of
13 intent to transfer pursuant to rules and regulations adopted by the
14 retirement board. [~~Within one year of such deposit or~~] Upon the filing
15 of a notice of intent to transfer as provided by this subdivision, the
16 pension reserve to his or her credit in such other retirement system, if
17 such other retirement system is operated upon an actuarial basis under
18 the laws of this state, shall be transferred, and if such other system
19 is operated upon an actuarial basis under the laws of another state, may
20 be transferred to the pension accumulation fund. Notwithstanding
21 anything to the contrary in this article, such contributor shall be

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

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1 classified in this retirement system as a present teacher or as a new
2 entrant accordingly as he or she would have been classified had the
3 service rendered in the other retirement system been rendered while a
4 member of this retirement system. A person so transferred to this
5 retirement system or who has heretofore transferred to this retirement
6 system shall be deemed to have been a member of this retirement system
7 during the entire period of membership service credited to him or her in
8 the system from which he or she has transferred. Such transferee, howev-
9 er, shall not receive more than three per cent interest on his or her
10 contributions and accumulated contributions unless he or she has contin-
11 uously been a member in either the system from which he or she has
12 transferred or in this retirement system since a date prior to the first
13 day of July, nineteen hundred forty-eight. This shall not be construed
14 to prevent a change in the interest rate to such member if the interest
15 rate payable to other members of this retirement system is changed. In
16 case he or she comes from a retirement system not under the laws of this
17 state, he or she shall be given a prior service certificate showing a
18 period of service such that the liability incurred by the retirement
19 system on his or her account by reason of prior service shall be equal
20 in amount to the amount of the reserve so transferred, provided that in
21 no case shall such a contributor who is classified as a new entrant be
22 given less credit in his or her prior service certificate than he or she
23 would have received had no reserve been transferred on his or her
24 account. In case a contributor transfers between retirement systems
25 under the laws of this state, he or she shall be credited in the system
26 to which he or she is transferring with all service allowed to him or
27 her in the first system. Such contributor, notwithstanding any other
28 provision of law, shall on retirement [~~after three years of service in~~
29 ~~the second retirement system~~] be entitled to a pension based on [~~a final~~
30 ~~average~~] salary earned during [~~any five consecutive years of~~] member
31 service [~~in either retirement system or~~] in both retirement systems
32 together, [~~whichever average amount may be the greater, with the condi-~~
33 ~~tion that no such contributor shall be entitled on retirement within~~
34 ~~three years of the date of his transfer to a greater pension for such~~
35 ~~service rendered before his transfer than he would have received had he~~
36 ~~remained under the pension provisions of the first retirement system~~]
37 pursuant to the statutory requirements of the second retirement system.

38 § 2. This act shall take effect immediately and shall be deemed to
39 have been in full force and effect on and after November 14, 2016.

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

This bill would amend subdivision 2 of Section 522 of the Education Law to remove the one year time limit for members to give notice of their intent to transfer between retirement systems. This bill would also remove the restriction on a member who transfers that he/she may not retire within three years and receive a greater benefit for the service rendered before transfer than he/she would have received under the prior retirement system.

The annual cost to the employers of members of the New York State Teachers' Retirement System is estimated to be negligible if this bill is enacted.

Employee data is from the System's most recent actuarial valuation files, consisting of data provided by the employers to the Retirement System. Data distributions and statistics can be found in the System's comprehensive Annual Financial Report (CAFR). System assets are as reported in the System's financial statements, and can also be found in

the CAFR. Actuarial assumptions and methods are provided in the System's Actuarial Valuation Report.

The source of this estimate is Fiscal Note 2017-3 dated October 7, 2016 prepared by the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2017 Legislative Session. I, Richard A. Young, am the Actuary for the New York State Teachers' Retirement System. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.