STATE OF NEW YORK

8012

IN SENATE

March 19, 2018

Introduced by Sen. ORTT -- 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 retirement benefits for certain employees; and providing for the repeal of such provisions upon the expiration thereof

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

Section 1. Subdivision c of section 700 of the retirement and social security law, as added by chapter 578 of the laws of 1989, is amended to read as follows:

c. Such election shall be in writing, shall be duly executed and filed with the comptroller and**, subject to the provisions of subdivision d of this section,** shall be irrevocable as long as such member is in a title defined in subdivision i of section eighty-nine of this chapter. The election shall be filed on or before December thirty-first, nineteen hundred eighty-nine or within one year after such person becomes employed in such title, whichever date is later.

§ 2. Section 700 of the retirement and social security law is amended by adding a new subdivision d to read as follows:

d. Notwithstanding the provisions of any section of law to the contrary, a member employed by the office of mental health holding the title of security hospital treatment assistant, senior security hospital treatment assistant, security hospital treatment assistant Spanish language, security hospital senior treatment assistant Spanish language, security hospital treatment assistant supervisor, or security hospital treatment assistant chief shall be entitled to file an election to be subject to either article fourteen or article fifteen of this chapter in its entirety and be subject to none of the provisions of the article not selected by the member. Such election shall be in writing, shall be duly executed and filed with the comptroller and shall be irrevocable.

§ 3. This act shall take effect immediately and shall expire and be deemed repealed on the sixtieth day after it shall have become a law.

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

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

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Currently, security hospital treatment assistants (SHTAs) employed by the office of mental health must elect within one year of being employed in such a title to become covered under either an age-55 based plan or a 25-year service based plan. This bill will permit members a one-time election to switch from his/her current plan in favor of the other plan. The election to switch plans is irrevocable, and the member gives up all rights and privileges of his/her current plan. The bill has a sunset provision of 60 days.

If this bill is enacted, the estimated increase in the annual contributions of the state of New York for the fiscal year ending March 31, 2019 would be approximately $860,000.

In addition to the annual contributions discussed above, there will be an immediate past service cost of $9.97 million, which will be borne by the state of New York as a one-time payment. This estimate is based on the assumption that payment will be made on March 1, 2019.

These estimated costs are based on 630 members having an annual salary for the fiscal year ending March 31, 2017 of approximately $55 million.

Summary of relevant sources:

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 March 16, 2018, and intended for use only during the 2018 Legislative Session, is Fiscal Note No. 2018-72, prepared by the Actuary for the New York State and Local Retirement System.