AN ACT to amend the retirement and social security law, in relation to transfer of retirement membership for certain employees of SUNY within the professional, scientific and technical bargaining unit

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 618 to read as follows:

§ 618. Transfer of membership into New York state and local employees' retirement system. a. Definitions. Whenever used in this section:

1. The term "eligible employee" shall mean a person who as of the effective date of this section is an employee of the state university of New York in a position within the professional, scientific and technical bargaining unit and who is, as of said effective date, a member of the optional retirement program and who is a registered nurse who first became an employee of the state university of New York at Stony Brook Hospital on a date between January first, nineteen hundred ninety-six and December thirty-first, nineteen hundred ninety-nine and who is still employed by the state university of New York as of the date said employee files an application pursuant to subdivision b of this section;

2. The term "optional retirement program" shall mean the optional retirement program established pursuant to article eight-B of the education law.

b. Notwithstanding any other provision of law, an eligible employee shall be allowed to become a member of the New York state and local employees' retirement system by filing an application with said retirement system no later than December thirty-first, two thousand eighteen.

c. An eligible employee who files an application to become a member of the New York state and local employees' retirement system shall be deemed to be a member of that retirement system with a date of member-
ship as of the date said eligible employee was first employed by the
state university of New York. The eligible employee’s membership in the
optional retirement program shall terminate as of the date said applica-
tion is filed.

d. An eligible employee who becomes a member of the New York state and
local employees' retirement system pursuant to subdivision b of this
section may elect to purchase credit for previous service for any period
during which said employee was a member of the optional retirement
program by filing an application with the New York state and local
employees' retirement system no later than December thirty-first, two
thousand eighteen and by paying to said retirement system an amount as
determined by the comptroller equal to the full cost of such previous
service credit purchased which shall include an amount equivalent to the
additional costs to the employer of providing retirement service credit
to such employee while such employee was a member of the optional
retirement program as determined by the actuary for the retirement
system. Said payment may be made by a transfer of funds from the employ-
ee's optional retirement program account to the New York state and local
employees' retirement system. Said payment may also be made in one
payment by the employee or by payroll deduction over a period not to
exceed five years.

§ 2. This act shall take effect immediately.

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

This bill will allow any employee of the State University of New York
(SUNY) who is a registered nurse in a position with the Professional,
Scientific and Technical bargaining unit, who first became employed with
SUNY at Stony Brook Hospital between January 1, 1996 and December 31,
1999, and who enrolled in the Optional Retirement Program, to terminate
their memberships in the Optional Retirement Program and to be deemed to
be members of the New York State and Local Employees' Retirement System
(NYSLERS) with a date of membership as of the date of first employment
by SUNY. Affected members will have to pay the entire past service cost
as determined by the Comptroller in order to get retirement service credit
for the service rendered before their dates of membership.

If this bill is enacted, the number of employees who may be affected
by this legislation cannot be readily determined. For every employee who
does so elect, there will be an annual cost to the State of New York of
approximately 16.0% of salary for the fiscal year ending March 31, 2018.

In addition to the annual cost above, for every member who elects this
benefit, there will be a past service cost that will depend on the age,
service and salary of the member. The members will be able to offset
this cost by the transfer of funds from their Optional Retirement Program balances. For an individual member, if the amount transferred
from the Optional Retirement Program is less than the past service cost,
the member will have to make up the difference either as a one-time
payment or by making a series of payments over a period of five (5)
years.

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, 2016 actuarial valu-
ation. Distributions and other statistics can be found in the 2016 Report of the Actuary and the 2016 Comprehensive Annual financial
report.

The actuarial assumptions and methods used are described in the 2015
and 2016 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, 2016 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, date May 11, 2017, and intended for use only during the 2017 Legislative Session, is Fiscal Note No. 2017-95, prepared by the Actuary for the New York State and Local Retirement System.